

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY,

AND

555 STEWART GARDEN CITY, LLC

UNIFORM PROJECT AGREEMENT

DATED AS OF MAY 1, 2021

UNIFORM PROJECT AGREEMENT

THIS UNIFORM PROJECT AGREEMENT (hereinafter, the “Project Agreement”), is made as of the 1st day of May, 2021, by and between the NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, having an office at One West Street, Mineola, New York 11501 (the “Agency”), and 555 STEWART GARDEN CITY, LLC, a limited liability company organized and existing under the laws of the State of Delaware and authorized to do business in the State of New York, having an office at 1550 W. McEwen Drive, Suite 200, Franklin, TN 37067 (the “Company”).

WITNESSETH:

WHEREAS, 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, as in effect as of the Closing Date (as hereinafter defined), 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 industrial, manufacturing, warehousing, commercial, research and recreation 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, the Company on behalf of itself and entities formed or to be formed on its behalf (together with the Company, the “Applicant”), has 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 4.45 acre parcel of land located at 555 Stewart Avenue, Village of Garden City, Town of Hempstead, Nassau County, New York (Section: 44; Block: 076; Lot: 15) (the “Land”), (2) the construction of an approximately 207,800 square foot four-story residential facility (collectively, the “Building”) on the Land, together with related improvements to the Land 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 multi-family residential rental facility with approximately 150-units, at least ten percent (10%) of which units shall be affordable units; (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/or 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, by resolution adopted by the members of the Agency on March 21, 2019 (the “Preliminary Inducement Resolution”), the Agency, following a review of the Application, determined to take preliminary action toward the acquisition and straight leasing of the Project for the Company and made a determination to proceed with the Project; and

WHEREAS, the Executive Director of the Agency (A) caused notice of a public hearing of the Agency pursuant to Section 859-a of the Act (the “Public Hearing”) to hear all persons interested in the Project and the Financial Assistance contemplated by the Agency with respect to the Project, to be mailed on April 29, 2019 to the chief executive officer of Nassau County, New York and of each other affected tax jurisdiction within which the Project Facility is or is to be located; (B) caused notice of the Public Hearing to be published on April 29, 2019 in the Nassau edition of *Newsday*, a newspaper of general circulation available to residents of the County of Nassau, New York; (C) caused the Public Hearing to be conducted on May 13, 2019, at 2:00 pm., local time, at the Garden City Village Hall, 351 Stewart Avenue, Village of Garden City, Town of Hempstead, Nassau County, New York; and (D) caused a report of the Public Hearing (the “Report”) to be prepared which fairly summarizes the views presented at the Public Hearing and distributed the Report to the members of the Agency; and

WHEREAS, in accordance with Section 874(4) of the Act, (A) the Executive Director of the Agency caused notice of a meeting of the Agency (the “IDA Meeting”) with respect to the proposed deviation from the Agency’s uniform tax exemption policy and guidelines to be mailed on April 29, 2019 to the chief executive officer of each affected tax jurisdiction; and (B) the members of the Agency conducted the IDA Meeting on May 16, 2019 and reviewed any written comments or correspondence regarding the proposed deviation from the Agency’s uniform tax exemption policy and approved the proposed deviation; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”), and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (the “Regulations,” and collectively with the SEQR Act, “SEQRA”), the appropriate personnel of the Agency reviewed the environmental assessment form and other materials submitted by the Company and made any necessary comments to the members of the Agency, and by resolution of the members of the Agency adopted on May 16, 2019, the Agency decided to conduct an uncoordinated review of the Project and determined that the Project will not have a significant adverse environmental impact and that an environmental impact statement will not be prepared; and

WHEREAS, by its Resolution, the Agency approved certain financial assistance for the benefit of the Company in connection with the Project as well as certain benefits, exemptions and other financial assistance consisting of: (a) an exemption from all New York State and local sales and use tax for purchases and rentals related to the Project with respect to the qualifying personal property included in or incorporated into the Project Facility or used in the acquisition,

construction or equipping of the Project Facility, (b) a partial exemption from mortgage recording tax (by reason of Section 874 of the General Municipal Law; **provided, however, such section does not exempt the additional mortgage recording tax imposed on real property located within a transportation district pursuant to Sections 253(2)(a) of the Tax Law**) with respect to the Lender Mortgage (as defined the Sublease Agreement), if any and the PILOT Mortgage, and (c) a partial abatement from real property taxes conferred through a certain payment in lieu of tax agreement, between the Agency and the Company (the “PILOT Agreement”) requiring the Company to make payments-in-lieu-of-taxes, as more particularly set forth therein (“PILOT Payments”) for the benefit of each municipality and school district having taxing jurisdiction over the Project (collectively, the sales and use tax exemption benefit, the mortgage recording tax exemption benefit, and the partial abatement from real property taxes benefit, are hereinafter collectively referred to as the “Financial Assistance”); and

WHEREAS, by its Resolution, the Agency consented to the amendment of the Approval Resolution to allow the Applicant to execute the Transaction Documents on or before July 9, 2020; and

WHEREAS, by its Resolution, the Agency consented to the amendment of the Approval Resolution to allow the Applicant to execute the Transaction Documents on or before December 31, 2020; and

WHEREAS, by its Resolution, the Agency consented to the amendment of the Approval Resolution to allow the Applicant to execute the Transaction Documents on or before March 31, 2021; and

WHEREAS, by its Resolution adopted on March 18, 2021, the Agency consented to the amendment of the Approval Resolution to allow the Applicant to execute the Transaction Documents on or before May 31, 2021; and

WHEREAS, pursuant to and in accordance with Sections 859-a and 874 of the Act, the Agency requires, as a condition and as an inducement for it to provide any Financial Assistance, that the Company enter into this Project Agreement for the purposes of, among other things, to govern administration of and provide assurances with respect to the provision and recapture of said Financial Assistance upon the terms herein set forth; and

WHEREAS, this Project Agreement sets forth the terms and conditions under which Financial Assistance shall be provided to the Company; and

WHEREAS, no agency appointment in favor of the Company or any subagent thereof, nor any amount of Financial Assistance shall be provided to the Company by the Agency prior to the effective date of this Project Agreement; and

WHEREAS, immediately after the execution and delivery of this Project Agreement, the Company will execute and deliver or cause to be executed and delivered to the Agency (A) a certain company lease agreement of even date herewith (the “Company Lease”) between the Company and the Agency, which conveys to the Agency a leasehold interest in and to the Land and the Building, and (B) a bill of sale dated the Closing Date (the “Bill of Sale to Agency”),

which conveys to the Agency all right, title and interest of the Company in and to the Equipment; and

WHEREAS, the Agency proposes to appoint the Company as agent of the Agency to undertake the acquisition, construction, renovation, installation and equipping of the Project Facility, to lease the Project Facility from the Company pursuant to the Company Lease and to sublease the Project Facility to the Company, and the Company desires to act as agent of the Agency to undertake the acquisition, construction, renovation, installation and equipping of the Project Facility, to lease the Project Facility to the Agency and to sublease the Project Facility from the Agency, all pursuant to the terms and conditions set forth herein and in that certain Sublease Agreement of even date herewith (as the same may be amended, modified, supplemented or restated from time to time, the "Sublease Agreement") between the Agency and the Company; and

WHEREAS, the members of the Agency have determined that (A) the granting of the Financial Assistance by the Agency to the Company is necessary to induce the Company to proceed with the Project, and (B) there is a likelihood that the Project would not be undertaken but for the granting of the Financial Assistance by the Agency to the Company; and

WHEREAS, pursuant to a certain Payment in Lieu of Taxes Agreement of even date herewith, the Company has agreed to make certain payments in lieu of real property taxes with respect to the Premises, and such obligation is secured by a Mortgage and Assignment of Leases and Rents of even date herewith (the "PILOT Mortgage") from the Company and the Agency, as mortgagor, to the County of Nassau, as mortgagee (the "PILOT Mortgagee"), pursuant to which the Agency and the Company grant a first lien mortgage on the Premises to the PILOT Mortgagee; and

NOW THEREFORE, in consideration of the covenants herein contained and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed as follows:

ARTICLE I. DEFINITIONS

Section 1.1 Definitions of Terms. The words and terms as used in this Project shall have the same meanings as used in Schedule A attached hereto and made a part hereof, unless the context or use indicates another or different meaning or intent.

ARTICLE II. REPRESENTATIONS AND COVENANTS

Section 2.1 Representations and Covenants of the Company. The Company makes the following representations and covenants in order to induce the Agency to proceed with the Project/Facility:

(a) The Company is a limited liability company formed in Delaware, validly existing and in good standing under the laws of the State of New York, has the authority to enter

into this Project Agreement, and has duly authorized the execution and delivery of this Project Agreement.

(b) Neither the execution and delivery of this Project Agreement, the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the provisions of this Project Agreement will conflict with or result in a breach of any of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Company is a party or by which it is bound, or will constitute a default under any of the foregoing, or result in the creation or imposition of any lien of any nature upon any of the property of the Company under the terms of any such instrument or agreement.

(c) The Project Facility and the operation thereof will conform with all applicable zoning, planning, and building laws and regulations of governmental authorities having jurisdiction over the Project Facility, and the Company shall defend, indemnify and hold the Agency harmless from any liability or expenses resulting from any failure by the Company to comply with the provisions of this subsection (c).

(d) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body pending or, to the knowledge of the Company, threatened against or affecting the Company, to which the Company is a party, and in which an adverse result would in any way diminish or adversely impact on the Company's ability to fulfill its obligations under this Project Agreement.

(e) The Company covenants that the Project Facility will comply in all respects with all environmental laws and regulations, and, except as set forth on the Environmental Report (as defined in the Sublease Agreement) and, except in compliance with environmental laws and regulations, (i) that no pollutants, contaminants, solid wastes, or toxic or hazardous substances will be stored, treated, generated, disposed of, or allowed to exist on the Project Facility except in compliance with all material applicable laws, (ii) that the Company will take all reasonable and prudent steps to prevent an unlawful release of hazardous substances onto the Project Facility or onto any other property, (iii) that no asbestos will be incorporated into or disposed of on the Project Facility, (iv) that no underground storage tanks will be located on the Project Facility, and (v) that no investigation, order, agreement, notice, demand or settlement with respect to any of the above is threatened, anticipated, or in existence. The Company upon receiving any information or notice contrary to the representations contained in this Section shall immediately notify the Agency in writing with full details regarding the same. The Company hereby releases the Agency from liability with respect to, and agrees to defend, indemnify, and hold harmless the Agency, its executive director, directors, members, officers, employees, agents (other than the Company), representatives, successors, and assigns from and against any and all claims, demands, damages, costs, orders, liabilities, penalties, and expenses (including reasonable attorneys' fees) related in any way to any violation of the covenants or failure to be accurate of the representations contained in this Section. In the event the Agency in its reasonable discretion deems it necessary to perform due diligence with respect to any of the above, or to have an environmental audit performed with respect to the Project Facility, the Company agrees to pay the expenses of same to the Agency upon demand.

(f) Any personal property acquired by the Company in the name of the Agency shall be located in Nassau County, except for temporary periods during ordinary use.

(g) The Company hereby represents to the Agency that facilities and property that are primarily used in making retail sales of goods and services to customers who personally visit the Project Facility will not constitute more than one-third (1/3) of the total costs of the Project Facility, except in accordance with New York General Municipal Law (the “GML”) Section 862.

(h) The Company acknowledges and agrees that, except to the extent of bond proceeds (to the extent bonds are issued by the Agency with respect to the Project), the Agency shall not be liable, either directly or indirectly or contingently, upon any such contract, agreement, invoice, bill or purchase order in any manner and to any extent whatsoever (including payment or performance obligations), and the Company shall be the sole party liable thereunder.

(i) The Company covenants and agrees that at all times, it will (i) maintain its existence and not dissolve, (ii) continue to be a limited liability company subject to service of process in the State and either organized under the laws of the State, or organized under the laws of any other state of the United States and duly qualified to do business in the State, (iii) not liquidate, wind-up or dissolve or otherwise sell, assign, or dispose of all or substantially all of its property, business or assets. This Project Agreement may not be assigned in whole or part without the prior written consent of the Agency, except as set forth herein or in the Transaction Documents to the contrary, except as set forth herein or in the Transaction Documents to the contrary.

(j) The Company confirms and acknowledges under the penalty of perjury that as of the date hereof, the Company, as owner, occupant, or operator of the Project receiving Financial Assistance from the Agency in connection with the Project, is in substantial compliance with all applicable local, state and federal tax, worker protection and environmental laws, rules and regulations. The Company agrees that it will, throughout the term of this Project Agreement, promptly comply in all material respects with all statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of all federal, state, county, municipal and other governments, departments, commissions, boards, companies or associations insuring the premises, courts, authorities, officials and officers, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to the Project Facility or any part thereof, or to any use, manner of use or condition of the Project Facility or any part thereof. Notwithstanding the foregoing, the Company may in good faith contest the validity of the applicability of any requirement of the nature referred to in this Section 2.1. In such event, the Company, with the prior written consent of the Agency (which shall not be unreasonably conditioned, delayed or withheld) may fail to comply with the requirement or requirements so contested during the period of such contest and any appeal therefrom unless the Agency shall notify the Company that it must comply with such requirement or requirements.

(k) The Project will not have a “significant adverse environmental impact” (as such term is used in SEQRA) and the Company hereby covenants to comply with all mitigating measures, requirements and conditions enumerated or referenced in the resolution adopted by the Agency on May 16, 2019 under SEQRA applicable to the acquisition, construction, renovation,

installation, equipping and operation of the Project Facility contemplated by Section 4.1 of this Project Agreement and in any other approvals issued by any other Governmental Authority with respect to the Project Facility. No material changes with respect to any aspect of the Project have arisen from the date of the adoption of such resolution which would cause the determinations contained therein to be untrue.

(l) The Company is not a Prohibited Person, no Guarantor is a Prohibited Person, no Affiliate of the Company or any Guarantor is a Prohibited Person and no member, manager, director or shareholder of the Company or any Guarantor, as applicable, is a Prohibited Person.

(m) Neither this Project Agreement nor any other Transaction Document nor any other document, certificate, agreement or instrument furnished to the Agency by or on behalf of the Company or any Guarantor contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading.

(n) No funds of the Agency shall be used in connection with the transactions contemplated by this Project Agreement for the purpose of preventing the establishment of an industrial or manufacturing plant or for the purpose of advertising or promotional materials which depict elected or appointed government officials in either print or electronic media, nor shall any funds of the Agency be given hereunder to any group or organization which is attempting to prevent the establishment of an industrial or manufacturing plant within the State.

(o) Except as approved by the Agency, and subject to Article IX and Section 12.19 of the Sublease Agreement, the Company is, and shall at all times during the term of this Project Agreement, continue to be managed and owned solely by Southern Land Company, LLC and Timothy W. Downey (collectively, the "Initial Owner"); provided, however, that the Initial Owner may transfer all or any part of their interests in the Company to members of the respective immediate families (or trusts for the benefit of such immediate family members), and upon the Agency's written consent only, up to 49% ownership interest to unrelated parties, provided that no transfers permitted hereunder shall result in a change in the day-to-day control of the management and operations of the Company.

(p) The Company shall maintain the Minimum Employment Requirement pursuant to the Sublease Agreement as set forth in Section 2.2(M) thereof.

(q) The Project Facility is located entirely within the boundaries of the Village of Garden City, Town of Hempstead, Nassau County, New York, and is located only within the Garden City School District.

(r) The total cost of the Project is at least \$90,853,622.00.

(s) Neither the Company, nor any Guarantor, nor any Affiliate of the Company or any Guarantor has employed or retained any appointed or elected governmental official to solicit or secure the Agency's undertaking of the Project or its agreement to enter into this Project Agreement or any other Transaction Document upon an agreement of understanding for a commission or percentage, brokerage or contingent fee.

ARTICLE III. GENERAL

Section 3.1 Purpose of Project. The purpose of the Financial Assistance with respect to the Project is to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of the Project Facility to advance job opportunities, health, general prosperity and economic welfare of the people of Nassau County, New York, and to specifically promote the investment commitment, employment commitment, and other commitments of the Company contained herein and in the Company's Application, and to eliminate blight at the site of the Project Facility, said site having remained a paved vacant parcel for approximately 20 years, and to provide rental housing and affordable housing to the people of Nassau County.

ARTICLE IV. FINANCIAL ASSISTANCE AND RECAPTURE OF BENEFITS

Section 4.1 In accordance with the Resolution and the Cost-Benefit Analysis (or such other equivalent document or report, as determined by the Agency) (the "CBA"), attached hereto as Exhibit A, disclosed by the Agency at its public hearing for the Project (the "Public Hearing"), the Company further: (i) covenants, with respect to the Sales Tax Exemption, that it shall comply with this Project Agreement, specifically, but not limited to, Section 4.3 hereof; (ii) confirms that the Mortgage Recording Tax Exemption (as defined in Section 4.7 hereof) shall not exceed the amount of the Maximum Mortgage Principal Amount, as more fully described in Section 4.7 hereof (it being understood and agreed that nothing herein shall prohibit the Company from obtaining a mortgage if it pays the Mortgage Recording Tax applicable); and (iii) confirms that real property tax abatement to be provided to the Company shall conform to those disclosed within the CBA at the Public Hearing for the Project and as contained within the PILOT Agreement, a form of which PILOT Agreement is attached hereto as Exhibit A.

Section 4.2 PILOT Agreement. The parties hereto have executed or will execute the Company Lease Agreement, Sublease Agreement and PILOT Agreement. As provided in the PILOT Agreement, the Company agrees to make PILOT Payments (in addition to paying all special ad valorem levies, special assessments or special district taxes and service charges against real property in the jurisdiction where the Project Facility is located.

Section 4.3 Sales Tax Exemption.

(a) The Agency hereby appoints and confirms its appointment of the Company as the true and lawful agent of the Agency to undertake the Project. Such appointment was made by the Agency pursuant to the Resolution and this Project Agreement.

(b) The Company, as agent for the Agency, will undertake the Project. The Company hereby agrees to limit its activities as agent for the Agency under the authority of the Authorizing Resolution to acts reasonably related to the acquisition, construction, renovation, rehabilitation and equipping of the Project Facility. The right of the Company to act as agent of the Agency shall expire on the earlier of (x) the completion of the Project, or (y) December 31, 2023 as same may be extended by agreement of the Agency ("Termination Date"); provided,

however, that the Agency may extend the Company's agent appointment at its discretion upon the written request of the Company if such activities and improvements are not completed by such time, and further provided that the Agency shall not unreasonably withhold its consent to the extension of such appointment.

(c) Agency's Exempt Status. The Agency constitutes a corporate governmental agency and a public benefit corporation under the laws of the State of New York, and therefore, in the exercise of its governmental functions, is exempt from the imposition of Sales and Use Taxes. As an exempt governmental entity, no exempt organization identification number has been issued to the Agency nor is one required. Notwithstanding the foregoing, the Agency makes no representation to the Company, any Agent or any third party that any Sales Tax Exemption is available under this Project Agreement.

(d) Scope of Authorization of Sales Tax Exemption. The Agency hereby authorizes the Company, subject to the terms and conditions of this Project Agreement, to act as its agent in connection with the Project Facility for the purpose of effecting purchases and leases of certain items so that such purchases and leases are exempt from the imposition of Sales and Use Taxes. The Agency's authorization with respect to such Sales Tax Exemption provided to the Company and its Agents pursuant to this Project Agreement shall be subject to the following limitations:

(i) The Sales Tax Exemption shall be effective only for a term commencing on the date hereof and expiring upon the earliest of (A) the termination of this Project Agreement, (B) the Termination Date (as same may be extended), (C) failure of the Company to file Form ST-340, as described in Section 4.5(g) below, (D) the termination of the Sales Tax Exemption authorization pursuant to Section 4.6 or (E) the date upon which the Company received the Maximum Sales Tax Exemption.

(ii) The Sales Tax Exemption authorization set forth herein shall automatically be suspended upon written notice to the Company that the Company is in default beyond the applicable notice and cure periods under any material covenant in this Project Agreement (or related document) until such default is cured to the satisfaction of the Agency.

(iii) The Sales Tax Exemption authorization shall be subject to all of the terms, conditions and provisions of this Project Agreement.

(iv) The Sales Tax Exemption shall only be utilized for items which shall be purchased, incorporated, completed or installed for use only by the Company at the Project Facility or in connection with the Project (and not with any intention to sell, transfer or otherwise dispose of any such item to a Person as shall not constitute the Company), it being the intention of the Agency and the Company that the Sales Tax Exemption shall not be made available with respect to any item unless such item is used solely by the Company at the Project Facility or in connection with the Project.

(v) The Sales Tax Exemption shall not be used to benefit any person or entity, including any tenant or subtenant located at the Project Facility, other than the Company, without the prior written consent of the Agency.

(vi) By execution by the Company of this Project Agreement, the Company agrees to accept the terms hereof and represents and warrants to the Agency that the use of the Sales Tax Exemption by the Company or by any Agent is strictly for the purposes stated herein.

(vii) Upon the Termination Date, the Company and each Agent shall cease being agents of the Agency, and the Company shall immediately notify each Agent in writing of such termination.

(viii) The Company agrees that the aggregate amount of Sales Tax Exemption realized by the Company and by all Agents of the Company, if any, in connection with the Project Facility shall not exceed in the aggregate the Maximum Sales Tax Exemption.

(e) Quarterly Sales Tax Report. The Company agrees to furnish to the Agency within fifteen (15) days after the end of each calendar quarter, a sales and use tax exemption report (the “Quarterly Sales Tax Report”), in form and substance satisfactory to the Agency in its reasonable judgment, with respect to the use of the Sales Tax Agency Agreement by the Company and the contractors and subcontractors engaged by the Company and approved by the Agency as its agents and sub agents during the preceding calendar quarter. Each said Quarterly Sales Tax Report shall be certified by an Authorized Representative of the Company and shall: (1) identify the contracts and specific property exempted from sales taxes and/or use taxes during such period; (2) indicate the parties to said contract; (3) indicate the maximum amount payable under said contract, and indicate what portion of said amount would normally be subject to sales and use taxes imposed in the State; (4) indicate the amount of sales tax benefit expected to be received with respect to said contract; and (5) indicate the cumulative sales tax benefit claimed by the Company (and its contractors and subcontractors approved by the Agency as its agents and sub-agents) with respect to the Project for the calendar year.

Section 4.4 Procedures for Appointing Subagents. If the Company desires to seek the appointment of a contractor, a subcontractor or other party to act as the Agency’s agent, including, but not limited, to the individuals and entities described on **Schedule B** attached hereto (a “Subagent”) for the purpose of effecting purchases which are eligible for the Sales Tax Exemption pursuant to authority of this Project Agreement, it must complete the following steps:

(i) The Company shall have the right to amend **Schedule B** from time to time and shall solely be responsible for maintaining an accurate list of all parties acting as Subagents for the Agency. The Company's right to appoint Subagents is expressly conditioned upon the updating of **Schedule B** hereto, along with, for each Subagent, the Company must complete and submit Form ST-60 to the Agency, attached hereto as **Exhibit B**. An Authorized Representative of the Agency will sign the Form ST-60 and return the same to the Company. Following receipt of the signed Form ST-60, the Company must file such Form ST-60 within thirty (30) days of the

date that the Agency appoints a project operator or other person or entity to act as agent of the Agency for purposes of extending a sales or use tax exemption to such person or entity. The Company acknowledges and agrees that it shall be the Company's sole and exclusive responsibility to file a completed Form ST-60 with respect to any Subagent and the failure to timely do so could result in an Event of Default and Recapture Event (as hereinafter defined).

(ii) The Company shall ensure that each Subagent shall observe and comply with the terms and conditions of this Project Agreement.

(iii) Form ST-60 Not an Exemption Certificate. The Company acknowledges that the executed Form ST-60 designating the Company or any Subagent as an agent of the Agency shall not serve as a sales or use tax exemption certificate or document. Neither the Company nor any other Agent may tender a copy of the executed Form ST-60 to any person required to collect sales tax as a basis to make such purchases exempt from tax. No such person required to collect sales or use taxes may accept the executed Form ST-60 in lieu of collecting any tax required to be collected. THE CIVIL AND CRIMINAL PENALTIES FOR MISUSE OF A COPY OF FORM ST-60 AS AN EXEMPTION CERTIFICATE OR DOCUMENT OR FOR FAILURE TO PAY OR COLLECT TAX SHALL BE AS PROVIDED IN THE TAX LAW. IN ADDITION, THE USE BY A SUBAGENT, THE COMPANY, OR OTHER PERSON OR ENTITY OF SUCH FORM ST-60 AS AN EXEMPTION CERTIFICATE OR DOCUMENT SHALL BE DEEMED TO BE, UNDER ARTICLES TWENTY EIGHT AND THIRTY SEVEN OF THE TAX LAW, THE ISSUANCE OF A FALSE OR FRAUDULENT EXEMPTION CERTIFICATE OR DOCUMENT WITH THE INTENT TO EVADE TAX.

(iv) Form ST-123 Requirement. As an agent of the Agency, the Company agrees that it will, and will cause each Subagent to, present to each seller or vendor a completed and signed Form ST-123, attached hereto as **Exhibit C-1**, for each contract, agreement, invoice, bill or purchase order entered into by the Company or by any Subagent, as agent for the Agency, for the purpose of undertaking the Project. Form ST-123 requires that each seller or vendor accepting Form ST-123 identify the Project Facility on each bill or invoice for purchases and indicate on the bill or invoice that the Agency or Agent or Company, as project operator of the Agency, was the purchaser. For the purposes of indicating who the purchaser is, each bill or invoice should state,

“I, [NAME OF COMPANY OR SUBAGENT], certify that I am a duly appointed agent of the NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY and that I am purchasing the tangible personal property or services for use in the 555 STEWART GARDEN CITY, LLC, 2021 Project located at 555 Stewart Avenue, Village of Garden City, New York in the Town of Hempstead, County of Nassau, IDA Project Number **2803-21-04A**”.

For convenience purposes, in the instance where the vendor does not print on each invoice the acknowledgment as described in the prior sentence, an “Invoice Rider” (a copy of which is attached hereto as **Exhibit C-3**) can be utilized for record keeping purposes. The Company shall retain copies of all such contracts, agreements, invoices, bills and purchase orders for a period of not less than six (6) years from the date thereof. For each Subagent the Form ST-123 shall be completed as follows: (i) the “Project information” section of Form ST-123, attached hereto as **Exhibit C-2**, should be completed using the name and address of the Project Facility as indicated on the Form ST-60 used to appoint the Subagent; (ii) the date that the Subagent was appointed as indicated on the Form ST-60; and (iii) the “Exempt purchases” section of Form ST-123 should be completed by marking “X” in box “A” only.

All contracts entered into by the Company and all subagents thereof as agent for the Agency shall include the language contained within **Schedule C** attached hereto. **Failure by the Company and/or any subagent thereof to include such language may disqualify the agent status and sales tax exemptions derived by virtue of this Project Agreement. The Company, for itself and on behalf of all duly appointed subagents, hereby agrees that all contracts entered into by the Company and any subagents thereof shall be available to the Agency for inspection and confirmation of the foregoing mandatory language.**

Section 4.5 **Form ST-340 Filing Requirement.** The Company shall annually a statement with the State Department of Taxation and Finance (the “Commissioner”) an “Annual Report of Sales and Use Tax Exemptions” (NYS Form ST-340, a copy of which is attached hereto as **Exhibit D**) regarding the value of Sales Tax Exemption the Company and its Subagents, if any, have claimed pursuant to the agency conferred on the Company with respect to the Project in accordance with General Municipal Law Section 874(8). On or before February 10th of each year, the Company shall provide a copy of same to the Agency. The Company understands and agrees that the failure to file such annual statement will result in the removal of the Company's authority to act as agent for the Agency and/or Recapture of Agency Benefits as described in Section 4.8 hereof.

Section 4.6 **GML Provisions Relating to State Sales Tax Savings.**

(a) The Company covenants and agrees to comply, and to cause each of its contractors, subcontractors, Subagents, persons or entities to comply, with the requirements of GML Sections 875(1) and (3) (the “GML Provisions”), as such provisions may be amended from time to time. In the event of a conflict between the other provisions of this Project Agreement and the GML Provisions, the GML Provisions shall control.

(b) The Company acknowledges and agrees that pursuant to GML Section 875(3), the Agency shall have the right to recover, recapture, receive, or otherwise obtain from the Company, State Sales Tax Savings taken or purported to be taken by the Company, any Subagent or any other person or entity acting on behalf of the Company to which the Company is not entitled or which are in excess of the Maximum Sales Tax Exemption or which are for property or services not authorized or taken in cases where the Company, any Subagent or any other person or entity acting on behalf of the Company failed to comply with a material term or condition to use property or services in the manner required by this Project Agreement. The

Company shall, and shall require each Subagent and any other person or entity acting on behalf of the Company, to cooperate with the Agency in its efforts to recover, recapture, receive, or otherwise obtain such State Sales Tax Savings and shall promptly pay over any such amounts to the Subagent that it requests. The failure to pay over such amounts to the Subagent shall be grounds for the Commissioner to assess and determine State Sales and Use Taxes due from the Company under Article 28 of the New York State Tax Law, together with any relevant penalties and interest due on such amounts.

Subject to the provisions of subsection (i) above, in the event that the Company or any Subagent shall utilize the Sales Tax Exemption in violation of the provisions of this Project Agreement, the Company shall promptly deliver notice of same to the Agency, and the Company shall, upon demand by the Agency, pay to or at the direction of the Agency a return of sales or use tax exemptions in an amount equal to all such unauthorized sales or use tax exemptions together with interest at the rate of twelve percent (12%) per annum compounded daily from the date and with respect to the dollar amount for which each such unauthorized sales or use tax exemption was availed of by the Company or any Subagent (as applicable).

(c) Upon request by the Agency with reasonable notice to the Company, the Company shall make available at reasonable times to the Agency and/or the Independent Accountant all such books, records, contracts, agreements, invoices, bills or purchase orders of the Company and any Agent, and require all appropriate officers and employees of the Company to respond to reasonable inquiries by the Agency and/or the Independent Accountant, as shall be necessary (y) to indicate in reasonable detail those costs for which the Company or any Agent shall have utilized the Sales Tax Exemption and the dates and amounts so utilized, and (z) to permit the Agency to determine any amounts owed by the Company under this Section 4.6(c).

Section 4.7 Mortgage Recording Tax Exemption. Section 874 of the Act exempts the Agency from paying certain mortgage recording taxes except for the portion of the mortgage recording tax allocated to transportation districts referenced in Section 253(2)(a) of the Tax Law. The Agency hereby grants to the Company exemption from mortgage recording taxes for one or more Lender Mortgages securing an aggregate principal amount not to exceed the Maximum Mortgage Principal Amount or such greater amount as approved by the Agency in its sole and absolute discretion, in connection with the financing of the Project and any future financing, refinancing or permanent financing of the costs of the Project (the “Mortgage Recording Tax Exemption”). The Company represents and warrants (1) that the real property secured by the Lender Mortgage is located within a transportation district referenced in Section 253(2)(a) of the Tax Law, and (2) that upon recording the Lender Mortgage, the Company shall pay the mortgage recording tax allocated to transportation districts referenced in Section 253(a)(2) of the Tax Law.

Section 4.8 Recapture of Agency Benefits.

(A) It is understood and agreed by the parties hereto that the Agency is entering into this Project Agreement in order to provide financial assistance to the Company for the Project Facility and to accomplish the public purposes of the Act. In consideration therefor, the Company hereby agrees that if there shall occur a Recapture Event (as defined below) after the after the date hereof, the Company 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 in an amount as follows (such amount, the “Recapture of Benefits”):

- (1) one hundred per cent (100%) of the Benefits (as defined below) if the Recapture Event occurs on or before the tenth (10th) anniversary of the Closing Date;
- (2) eighty per cent (80%) of the Benefits if the Recapture Event occurs after the tenth (10th) anniversary of the Closing Date but on or before the twelfth (12th) anniversary of the Closing Date;
- (3) sixty per cent (60%) of the Benefits if the Recapture Event occurs after the twelfth (12th) anniversary of the Closing Date but on or before the fourteenth (14th) anniversary of the Closing Date;
- (4) forty per cent (40%) of the Benefits if the Recapture Event occurs after the fourteenth (14th) anniversary of the Closing Date but on or before the sixteenth (16th) anniversary of the Closing Date;
- (5) twenty per cent (20%) of the Benefits if the Recapture Event occurs after the sixteenth (16th) anniversary of the Closing Date but on or before the eighteenth (18th) anniversary of the Closing Date;
- (6) ten per cent (10%) of the Benefits if the Recapture Event occurs after the eighteenth (18th) anniversary of the Closing Date but on or before the twentieth (20th) anniversary of the Closing Date; or
- (7) zero per cent (0%) of the Benefits thereafter.

(B) The term “Benefits” shall mean the Agency’s calculation of, collectively:

(1) all real estate tax benefits which have accrued to the benefit of the Company during such time as the Agency held an interest in the Project Facility by reason of such interest, such tax benefits to be computed by subtracting the payments in lieu of taxes paid under the PILOT Agreement (through the date that the Project Facility is returned to the tax rolls as taxable property) from those payments which the Company would have been required to pay through such date had the Company been the owner of the Project Facility and the Agency not been involved in the Project and based on the records of the Nassau County Tax Assessor and any applicable village tax assessor, and treating any negative result as \$0; and

(2) all miscellaneous benefits derived from the Agency’s participation in the transactions contemplated by this Project Agreement and the Sublease Agreement, including, but not limited to, any exemption from mortgage recording taxes and any exemption from applicable sales and use taxes; provided, however, that the recapture of the value of any exemption from sales and/or use taxes shall be in the full amount of any exemption taken and shall not be subject to the scheduled percentage reduction set forth in Subsection (A) above.

(C) For the purposes of this Section 4.8 the term “Recapture Event” shall mean the occurrence of any of the following events:

- (1) The Company shall have liquidated its operations and/or assets; or
- (2) The Company shall have ceased all or substantially all of its operations at the Project Facility (whether by closure or by relocation to another facility or otherwise, or whether to another facility either within or outside of the County); or
- (3) The transfer of all or substantially all of the employees engaged in the construction, renovation, maintenance or operation of the Project Facility to another location; or
- (4) The occurrence and continuance of an Event of Default under this Project Agreement, the Sublease Agreement or any other Transaction Document; or
- (5) The occurrence and continuance of a substantial change in the scope and nature of the operations of the Project Facility without the prior written consent of the Agency; or
- (6) The Company shall have sold, leased, subleased, sub-subleased, assigned, transferred or otherwise disposed of (other than the leasing of residential units in the ordinary course of the Company’s business) all or any part of its interest in the Project Facility in violation of this Project Agreement or the Sublease Agreement provided however that the provisions of this subdivision (6) shall not apply to (i)(a) the granting of the Bank Mortgage or the Bank Loan Documents (as defined in the Sublease Agreement) by the Company, or (b) the foreclosure of the Bank Mortgage or the exercise of remedies in lieu of foreclosure, subject to the provisions of Section 12.19 of the Sublease Agreement or (ii) any transfer made pursuant to and in accordance with the provisions of Article IX or Section 12.19 of the Sublease Agreement; or
- (7) The Company fails to maintain or fails to cause to be maintained the Minimum Employment Requirement at any time during the term of this Project Agreement; or
- (8) The Application, or documentation submitted by the Company or any Guarantor in support of the Application, contained a knowingly false or knowingly misleading statement as to any fact material to the Application or knowingly omitted any information which, if included, would have rendered any information in the Application or supporting documentation false or misleading in any material respect, and such false or misleading statement or omission was made knowingly and intentionally for the purpose of obtaining the Financial Assistance; or
- (9) The Company receives Sales Tax Savings in connection with property or services not authorized by the Agency as part of the Project; or
- (10) The Company receives Sales Tax Savings in connection with the Project in excess of the Maximum Sales Tax Exemption; provided, however, that the foregoing

shall constitute a Recapture Event with respect to such excess Sales Tax Savings only. It is further provided that failure to repay the Sales Tax Savings within thirty (30) days shall constitute a Recapture Event with respect to all Recapture Benefits; or

(11) Failure of the Company to file a copy of the Form ST-340 with the Agency in compliance with Section 4.5 hereof; or

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 Condemnation by governmental authority of all or substantially all of the Project Facility or any interest therein, or (ii) the inability at law of the Company to rebuild, repair, restore or replace the Project Facility after the occurrence of a casualty to substantially its condition prior to such casualty, which inability shall have arisen in good faith through no fault on the part of the Company or (iii) for the sale of Project Facility after the receipt of the Agency's consent to said transaction.

(D) The Company covenants and agrees to furnish the Agency with written notification upon the occurrence of any Recapture Event, which notification shall set forth the terms of such Recapture Event as follows: In order to certify and verify the foregoing, the Company shall provide annually, to the Agency, a certified statement and documentation: (i) enumerating the full-time equivalent jobs retained and the full-time equivalent jobs created as a result of the financial assistance, by category, including full-time equivalent independent contractors or employees of independent contractors that work at the project location, (ii) indicating that the salary and fringe benefit averages or ranges for categories of jobs retained and jobs created that was provided in the application for Financial Assistance is still accurate and if it is not still accurate, providing a revised list of salary and fringe benefit averages or ranges for categories of jobs retained and jobs created, and (iii) such other information, as so requested from time to time, to enable the Agency to assess the progress of the Project toward achieving the investment, job retention, job creation, or other objectives of the Project indicated in the Application for Financial Assistance.

(E) In the event any payment owing by the Company under this Section shall not be paid on demand by the Agency, such payment shall bear interest from the date of such demand at an interest rate equal to sixteen percent (16%) per annum or the maximum lawful prevailing rate permitted by Applicable Law, whichever is less until the Company 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, reasonable legal fees, incurred with the recovery of all amounts due under this Section 4.8, from amounts received by the Agency pursuant to this Section 4.8.

Section 4.9 Grant of Security Interest. This Project Agreement shall constitute a "security agreement", as such term is defined in the Uniform Commercial Code adopted in the State, as the same may from time to time be in effect (the "UCC"). The Company hereby grants the Agency a first-priority security interest in all of the right, title and interest of the Company in the Equipment acquired by or on behalf of the Company or any Sub Agent of the Company using

the Sales Tax Exemption, and conveyed to the Agency by the Bill of Sale and in all additions and accessions thereto, all replacements and substitutions therefor, all books, records and accounts of the Company pertaining to the Project Facility, and all proceeds and products thereof (collectively, the “Collateral”), as security for payment of the rental payments due under the Lease Agreement and all other obligations of the Company hereunder, and the Agency is authorized to file financing statements with respect to such Collateral without the Company executing the same. If an Event of Default shall occur under this Project Agreement or any other Transaction Document, the Agency shall have, in addition to any and all other rights and remedies set forth in this Project Agreement, and may exercise without demand, any and all rights and remedies granted to a secured party under the UCC, including, but not limited to, the right to take possession of the Equipment and any other personal property that constitute part of the Collateral, and the right to advertise and sell the same, or any part thereof, pursuant to and in accordance with the UCC. The Company agrees that any notice of public or private sale with respect to such Collateral, or any part thereof, shall constitute reasonable notice if it is sent to the Company not less than ten (10) days prior to the date of any such sale. The Company hereby irrevocably appoints the Agency as its attorney-in-fact to execute, deliver and/or file any instruments or statements necessary or convenient to perfect and continue the security interest granted herein.

ARTICLE V. INSURANCE

Section 5.1 Insurance Required. During the term of this Project Agreement, the Company shall maintain insurance with respect to the Project Facility as required pursuant to Sublease Agreement and particularly as set forth in Sections 6.3, 6.4 and 5.5 of the Sublease Agreement.

ARTICLE VI. EVENTS OF DEFAULT AND REMEDIES

Section 6.1 The following shall each be “Events of Default” under this Project Agreement:

- (a) the failure by the Company to observe and perform any covenant contained in Sections 2.1(g), 2.1(i), 4.3, 4.4, 4.5, 4.8 5.1, 7.1, 7.2, 7.3, 7.6 and 8.1;
- (b) the failure by the Company to pay the Recapture Benefits on the date due;
- (c) the occurrence and continuation of a Recapture Event;
- (d) The occurrence of an “Event of Default” under any other Transaction Document, which has not been cured within any applicable grace, notice or cure period; and
- (e) the dissolution or liquidation of the Company other than pursuant to the Agency’s consent; or the failure by the Company to release, stay, discharge, lift or bond within thirty (30) days any execution, garnishment, judgment or attachment of such consequence as may impair its ability to carry on its operations; or the failure by the Company generally to pay its debts as they become due; or an assignment by the Company for the benefit of creditors; or

the commencement by the Company (as the debtor) of a case in bankruptcy or any proceeding under any other insolvency law; or the commencement of a case in bankruptcy or any proceeding under any other insolvency law against the Company (as the debtor), wherein a court having jurisdiction in the premises enters a decree or order for relief against the Company as the debtor, or such case or proceeding is consented to by the Company or remains undismissed for forty (40) days, or the Company consents to or admits the material allegations against it in any such case or proceeding; or a trustee, receiver or agent (however named) is appointed or authorized to take charge of substantially all of the property of the Company for the purpose of enforcing a lien against such Property or for the purpose of general administration of such Property for the benefit of creditors.

Section 6.2 Remedies on Default.

(a) Whenever any Event of Default shall have occurred and be continuing, the Agency may take, to the extent permitted by law, any one or more of the following remedial steps:

(i) declare, by written notice to the Company, to be immediately due and payable, whereupon the same shall become immediately due and payable: (A) all due and owing Recapture Benefits and (B) all other payments due under this Project Agreement; or

(ii) terminate this Project Agreement and the Sales Tax Exemption authorization as well as the Company Lease Agreement and the Sublease Agreement; or

(iii) take any other action at law or in equity which may appear necessary or desirable to collect the payments then due or thereafter to become due hereunder, and to enforce the obligations, agreements and covenants of the Company under this Project Agreement.

(b) No action taken pursuant to this Section 6.2 (including termination of the Project Agreement) shall relieve the Company from its obligation to make all payments required by the Sublease Agreement, the PILOT Agreement or Recapture Benefits.

Section 6.3 Remedies Cumulative. No remedy herein conferred upon or reserved to the Agency is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Project Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right and power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Agency to exercise any remedy reserved to it in this Article VI it shall not be necessary to give any notice, other than such notice as may be herein expressly required in this Project Agreement.

Section 6.4 Agreement to Pay Attorneys' Fees and Expenses. In the event the Company should default under any of the provisions of this Project Agreement and the Agency

should employ attorneys or incur other expenses for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligations or agreements on the part of the Company herein contained, the Company shall, on demand therefor, pay to the Agency the fees of such attorneys and such other expenses so incurred.

ARTICLE VII.

SPECIAL COVENANTS

Section 7.1 Employment Opportunities

(a) The Company shall ensure that all employees and applicants for employment with regard to the Project, including, without limitation, the employees of and applicants for employment with the Company, are afforded equal employment opportunities without discrimination in violation of Applicable Law.

(b) Pursuant to Section 858-b of the Act, except as otherwise provided by collective bargaining contracts or agreements, the Company agrees (1) to list or cause to be listed all new employment opportunities created as a result of the Project with the New York State Department of Labor, Community Services Division (the "NYSDOL") and with the administrative entity (collectively with NYSDOL, the "JTPA Referral Entities") of the service delivery area created by the federal Job Training Partnership Act (P.L. No. 97-300) (including any successor statute thereto, including, without limitation, the Workforce Investment Act of 1998 (P.L. No. 105-270), collectively, the "JTPA") in which the Project Facility is located, and (2) where practicable, to first consider and to cause to be first considered for such new employment opportunities persons eligible to participate in federal JTPA programs who shall be referred by the JTPA Referral Entities.

(c) Pursuant to the requirements of subsection one of Section 6 of Chapter 127 of the 1995 Laws of the State, the Company agrees to file with the Agency, prior to the effective date of this Project Agreement, an employment plan, in form and substance satisfactory to the Agency.

(d) The Company agrees to file with the Agency on a calendar year basis not later than February 10 of each year during the term of this Project Agreement, measured as of December 31st of the immediately preceding calendar year, reports (i) certifying the full-time equivalent jobs retained and the full time equivalent jobs created as a result of the granting of the Financial Assistance, by category, including full-time equivalent independent contractors and employees of independent contractors that work at the Project Facility, and (ii) certifying that the salary and fringe benefit averages or ranges for categories of jobs retained and jobs created that were set forth in the Application are then still accurate or, if not then still accurate, providing a revised list of salary and fringe benefit averages or ranges for categories of jobs retained and jobs created. Said annual reports shall be in substantially the form promulgated from time to time by the Agency. The current forms of reports are annexed hereto as Exhibit E. The Company shall provide such annual reports (and supporting documentation) with respect to its employees and shall cause its Affiliates, contractors and agents to provide such reports (and supporting documentation) with respect to their respective employees, if any, at the Project Facility. The

Agency shall have the right, at the Company's expense, to audit, confirm and/or require additional information with regard thereto and the Company agrees to reasonably cooperate with and to cause its Affiliates and such third parties to cooperate with the Agency in connection therewith.

(e) The Company shall, at all times during the term of this Project Agreement, maintain or cause to be maintained the Minimum Employment Requirement. The Company agrees to give the Agency written notice of the occurrence of any default under this subsection (E) within five (5) days after the Company becomes aware of the occurrence of such default.

(f) Subject to (i) collective bargaining contracts or agreements and other existing contracts or agreements to which the Company is a party or by which the Company is bound and (ii) compliance with Applicable Laws, the Company agrees to list or cause to be listed all new employment opportunities created as a result of the Project on the Nassau County TweetMyJobs website or other website designated by the Agency from time to time, provided that such listing shall be at no cost to the Company.

(g) Subject to (i) collective bargaining contracts or agreements and other existing contracts or agreements to which the Company is a party or by which the Company is bound and (ii) compliance with Applicable Laws, the Company agrees that to the greatest extent possible new employment opportunities shall be provided to Nassau County or Suffolk County residents first.

Section 7.2 Company to Terminate Existence or Dispose of Assets. The Company agrees that, during the term of this Project Agreement, except as consented to by the Agency in writing (A) it will maintain its existence as in effect on the Closing Date, (B) will not dissolve or otherwise dispose of all or substantially all of its assets, and (C) will not consolidate with or merge into another corporation or other Person, or permit one or more corporation, limited liability companies or other Persons to consolidate with or merge into it, without giving prior written notice to the Agency and obtaining the written consent of the Agency. The Company agrees that it will not change its name or its state of organization without giving prior written notice to the Agency and obtaining the written consent of the Agency, which consent shall not be unreasonably withheld or delayed.

Section 7.3 Agreement to Provide Information. The Company agrees to promptly provide and certify or cause to be provided and certified such information concerning the Project Facility, the Company, the Guarantors and/or the Company's and/or the Guarantors' finances, operations and affairs and other topics as the Agency from time to time reasonably considers necessary or appropriate, including, but not limited to, such information as to enable the Agency to make any reports required by Applicable Laws or other governmental regulation or to ensure compliance with the provisions of this Project Agreement and the other Transaction Documents.

Section 7.4 Books of Record and Account; Compliance Certificates. The Company agrees to maintain proper accounts, records and books in which full and correct entries shall be made, in accordance with generally accepted, applied accounting principles or sound and consistently applied accounting principles of all business and affairs of the Company.

(b) On or before February 10th of each year, the Company shall furnish to the Agency a certificate of an Authorized Representative of the Company stating that no Event of Default hereunder or under any other Transaction Document has occurred or is continuing or, if any Event of Default exists, specifying the nature and period of existence thereof and what action the Company has taken or proposes to take with respect thereto, it being understood and agreed that the Agency's annual employment report attached as Exhibit E may serve as such "No Event of Default" certificate. The Company represents to the Agency that the Company's fiscal year currently ends on December 31st.

Section 7.5 Financial Statements. Within one hundred twenty (120) days after the end of each fiscal year, the Company shall deliver to the Agency the financial statements of the Company prepared and compiled by an independent certified public accountant, certified by the chief financial officer of the Company, including a balance sheet as of the last day of such period and an operating statement through the last day of such period. The Company represents to the Agency that each of the Company's fiscal year ends on December 31st.

Section 7.6 Compliance with Applicable Laws.

(a) The Company agrees, for the benefit of the Agency, that it will, during the term of this Project Agreement, promptly comply with all Applicable Laws.

(b) Notwithstanding the provisions of subsection (A) of this Section 7.6, the Company may in good faith actively contest the validity or the applicability of any Applicable Law, provided that the Company (1) first shall have notified the Agency in writing of such contest, (2) no Event of Default (other than the non-compliance with the Applicable Law being contested) shall have occurred and be continuing under any of the Transaction Documents beyond any applicable notice or cure period, so long as the same does not violate §7.6(c) hereof, (3) shall have set aside adequate reserves for any such requirement, (4) demonstrates to the reasonable satisfaction of the Agency that noncompliance with such Applicable Law will not subject the Project Facility or any part thereof to loss or forfeiture, (5) demonstrates to the reasonable satisfaction of the Agency that such contest shall not result in the Company or the Agency being in any danger of any civil or criminal liability for failure to comply therewith, and (6) diligently prosecutes such contest to completion. Otherwise, the Company shall promptly take such action with respect thereto as shall be reasonably satisfactory to the Agency.

(c) Notwithstanding the provisions of subsection (b) of this Section 7.6, if the Agency or any of its members, officers, agents (other than the Company), attorneys, servants or employees, past, present or future, may be liable for prosecution for failure to comply therewith, the Company shall promptly take such action with respect thereto as shall be satisfactory to the Agency.

Section 7.7 Performance of the Company's Obligations. Should the Company fail to make any payment or to do any act as provided in the Transaction Documents beyond applicable notice and/or cure periods, if any, the Agency may, but shall not be obligated to, without notice to or demand on the Company and without releasing the Company from any obligation herein, make or do the same, including, without limitation, appearing in and defending any action purporting to affect the rights or powers of the Company or the Agency, and paying all fees,

costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by the Agency in connection therewith; and the Company shall pay promptly upon demand all sums so incurred or expended by the Agency under the authority hereof, together with interest thereon, at the Default Interest Rate, from the date of written demand to the Company.

ARTICLE VIII. MISCELLANEOUS

Section 8.1 Hold Harmless Provision. The Company hereby releases the Agency from, agrees that the Agency shall not be liable for, and agrees to indemnify, defend and hold the Agency and its executive director, directors, members, officers, employees, agents (other than the Company), representatives, successors and assigns harmless from and against, any and all (i) liability for loss or damage to property or injury to or death of any and all persons that may be occasioned by any cause whatsoever pertaining to the Project Facility or arising by reason of or in connection with the occupation or the use thereof or the presence on, in or about the Project Facility or breach by the Company of this Project Agreement or (ii) liability arising from or expense incurred by the Agency's financing, acquiring, constructing, equipping, owning and leasing of the Equipment or of the Project Facility, including without limiting the generality of the foregoing, all causes of action and reasonable attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. The foregoing indemnities shall apply notwithstanding the fault or negligence on the part of the Agency, or any of its respective executive director, directors, members, officers, agents or employees and irrespective of the breach of a statutory obligation or the application of any rule of comparative or apportioned liability, except that such indemnities will not be applicable with respect to willful misconduct or gross negligence on the part of the Agency or any other person or entity to be indemnified.

Section 8.2 This Project Agreement may be executed in any number of counterparts each of which shall be deemed an original but which together shall constitute a single instrument.

Section 8.3 All notices, claims and other communications hereunder shall be in writing and shall be deemed to be duly given if personally delivered or mailed first class, postage prepaid, or by a nationally-recognized overnight courier, addressed as follows:

To the Agency: Nassau County Industrial Development Agency
One West Street
Mineola, NY 11501
Attn: Chief Executive Officer

With a copy to: Harris Beach PLLC
333 Earle Ovington Blvd, Suite 901
Uniondale, NY 11553
Attn: Andrew Komaromi, Esq.

To the Company: 555 STEWART GARDEN CITY, LLC
1550 W. McEwen Drive, Suite 200

Franklin, TN 37067
Attn: Kevin Holst, SVP & General Counsel

With a copy to: Forchelli Deegan Terrana LLP
333 Earle Ovington Blvd, Suite 1010
Uniondale, NY 11553
Attn: Daniel P. Deegan, Esq.

To the Lender: The Northwestern Mutual Life Insurance Company
720 East Wisconsin Avenue
Milwaukee, WI 53202-4797
Attn: []

With a copy to: Phillips Lytle LLP
1205 Franklin Avenue, Suite 390
Garden City, NY 11530
Attn: Milan K. Tyler, Esq

or at such other address as any party may from time to time furnish to the other party by notice given in accordance with the provisions of this Section. All notices shall be deemed given when mailed or personally delivered in the manner provided in this Section.

Section 8.4 This Project Agreement shall be governed by, and all matters in connection herewith shall be construed and enforced in accordance with, the laws of the State of New York applicable to agreements executed and to be wholly performed therein and the parties hereto hereby agree to submit to the personal jurisdiction of the federal or state courts located in Nassau County, New York.

Section 8.5 The warranties, representations, obligations and covenants of the Company under this Project Agreement shall be absolute and unconditional (except as set forth herein) and shall remain in full force and effect during the term of this Project Agreement, shall be deemed to have been relied upon by the Agency, and shall survive the delivery and termination of this Project Agreement to the Agency, regardless of any investigation made by the Agency. This Project Agreement shall survive any termination or expiration of the Sublease Agreement or the PILOT Agreement, as described below.

Section 8.6 By executing this Project Agreement, the Company covenants and agrees to pay all fees, costs and expenses incurred by the Agency for (a) legal services, including but not limited to those provided by the Agency's general counsel or bond/transaction counsel, (b) other consultants retained by the Agency, if any, in connection with the Project; and (c) with respect to Agency's enforcement of any event of default or failure to comply with the terms of this Project Agreement (including reasonable attorney fees). The Company further covenants and agrees that the Company is liable for payment to the Agency of all charges referred to above, as well as all other actual costs and expenses incurred by the Agency in undertaking the Project notwithstanding the occurrence of any of (i) the Company's withdrawal, abandonment, cancellation or failure to pursue the Project; (ii) the inability of the Agency or the Company to procure the services of one or more financial institutions to provide financing for the Project; or

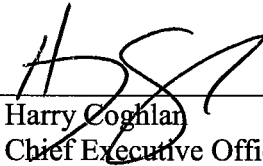
(iii) the Company's failure, for whatever reason, to undertake and/or successfully complete the Project.

[Remainder of This Page Intentionally Left Blank]

[Signature Page to Uniform Project Agreement]

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

**NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: 
Harry Coghlan
Chief Executive Officer / Executive Director

555 STEWART GARDEN CITY, LLC

By: _____
Timothy W. Downey
Chief Manager

[Signature Page to Uniform Project Agreement]

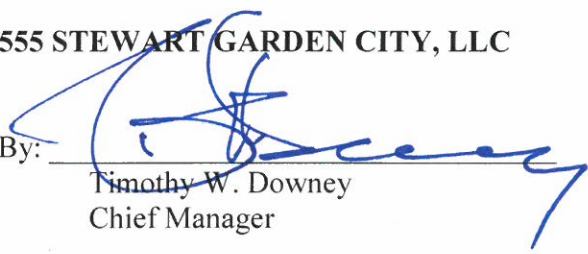
IN WITNESS WHEREOF, the parties hereto have executed this Project Agreement as of the day and year first above written.

**NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Harry Coghlan
Chief Executive Officer / Executive Director

555 STEWART GARDEN CITY, LLC

By: _____
Timothy W. Downey
Chief Manager



SCHEDULE A

SCHEDULE OF DEFINITIONS

“Applicable Law or Applicable Laws” shall have the meaning as defined in the Sublease Agreement.

“Authorized Representative” means, in the case of the Agency, the Chief Executive, Executive Director, the Chairman or the Vice Chairman and such additional persons as, at the time, are designated to act on behalf of the Agency; and in the case of the Company, the members and such additional persons as, at the time, are designated to act on behalf of the Company.

“Collateral” shall have the meaning assigned to such term in Section 4.9 of this Project Agreement.

“Company Lease Agreement” shall mean that certain Company Lease Agreement, dated as of May 1, 2021 by and between the Company and the Agency.

“Guarantor” or **“Guarantors”** means, individually or collectively, as the context may require, Southern Land Company, a limited liability company, and Timothy W. Downey, a natural person.

“Independent Accountant” shall mean an independent certified public accountant or firm of independent certified public accountants selected by the Company and approved by the Agency (such approval not to be unreasonably withheld or delayed).

“Maximum Sales Tax Exemption” shall mean the aggregate maximum dollar amount of Sales Tax Savings that the Company and all Subagents acting on behalf the Company are permitted to receive under this Project Agreement, which shall equal **\$2,652,259.00**, or such maximum dollar amount as may be determined by the Agency pursuant to such additional documents as may be required by the Agency for such increase.

“Maximum Mortgage Principal Amount” shall mean **\$63,597,535.00**.

“Maximum Mortgage Tax Exemption” shall mean the maximum dollar amount of Mortgage Tax Savings that the Company is permitted to receive under this Project Agreement, which shall equal **\$476,981.00**, or such maximum dollar amount as may be determined by the Agency pursuant to such additional documents as may be required by the Agency for such increase.

“Prohibited Person” means (i) any Person (A) that is in default or in breach, beyond any applicable grace or cure period, of its obligations under any written agreement with the Agency or the County, or (B) that directly or indirectly controls, is controlled by or is under common control with a Person that is in default or in breach, beyond any applicable grace or cure period, of its obligations under any written agreement with the Agency or the County, unless such default or breach has been waived in writing by the Agency or the County, as the case may be, and (ii) any Person (A) that has been convicted in a criminal proceeding for a felony or any

crime involving moral turpitude or that is an organized crime figure or is reputed to have substantial business or other affiliations with an organized crime figure, or (B) that directly or indirectly controls, is controlled by or is under common control with a Person that has been convicted in a criminal proceeding for a felony or any crime involving moral turpitude or that is an organized crime figure or is reputed to have substantial business or other affiliations with an organized crime figure.

“Sales Tax Exemption” shall mean an exemption from Sales and Use Taxes resulting from the Agency’s participation in the Project Facility.

“Sales and Use Taxes” shall mean local and State sales and compensating use taxes and fees imposed pursuant to Article 28 of the New York State Tax Law, as the same may be amended from time to time.

“State Sales and Use Taxes” shall mean sales and compensating use taxes and fees imposed by Article 28 of the New York State Tax Law but excluding such taxes imposed in a city by Section 1107 or 1108 of such Article 28, as the same may be amended from time to time.

“State Sales Tax Savings” shall mean all Sales Tax Exemption savings relating to State Sales and Use Taxes realized by or for the benefit of the Company, including any savings realized by any Subagent, pursuant to this Project Agreement.

“Sublease Agreement” shall mean that certain Sublease Agreement, dated as of May 1, 2021 by and between the Company and the Agency.

“Transaction Documents” shall have the meaning as defined in the Sublease Agreement.

SCHEDULE B

LIST OF APPOINTED AGENTS¹

1. **555 STEWART GARDEN CITY, LLC**_____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____

¹ FOR EACH AGENT APPOINTED BY THE COMPANY, A NYS FORM ST-60 MUST BE COMPLETED AND FILED BY THE COMPANY WITH THE NYS DEPARTMENT OF TAXATION AND FINANCE IDA UNIT INDICATING THE APPOINTMENT OF SUCH AGENT OF THE COMPANY.

SCHEDULE C

MANDATORY AGENT AND SUBAGENT CONTRACT LANGUAGE

“This contract is being entered into by **[NAME OF COMPANY OR NAME OF SUBAGENT]** (the “Agent”), as agent for and on behalf of the **NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (the “Agency”), in connection with a certain project of the Agency for the benefit of **555 STEWART GARDEN CITY, LLC**, consisting in part of the acquisition and installation of certain machinery, equipment and building materials, all for incorporation and installation in certain premises located at 555 Stewart Avenue, Village of Garden City, Town of Hempstead, Nassau County, New York (Section: 44; Block: 76; Lot: 15) (the “Premises”). The acquisition of the machinery, equipment and building materials to be incorporated and installed in the Premises and all services and rentals of equipment related to the acquisition, construction and equipping of the Project shall be exempt from all New York State and local sales and use taxes if the acquisition thereof is effected in accordance with the terms and conditions set forth in the attached sales tax exemption information letter of the Agency; and the Agent hereby represents that this contract is in compliance with the terms of the Uniform Project Agreement by and between **555 STEWART GARDEN CITY, LLC** and the Agency, dated as of May 1, 2021. This contract is non-recourse to the Agency, and the Agency shall not be directly, indirectly or contingently liable or obligated hereunder in any manner or to any extent whatsoever. By execution or acceptance of this contract, the vendor/contractor hereby acknowledges and agrees to the terms and conditions set forth in this paragraph.”

EXHIBIT A

COST BENEFIT ANALYSIS AND FORM OF PILOT AGREEMENT

[Attached]

SLC Development LLC: Economic and Fiscal Impact Analysis

Revised Submitted: May 25, 2021

Prepared for:

Nassau County Industrial Development Agency
1 West Street, 4th Floor
Mineola, NY 11501



120 West Avenue, Suite 303
Saratoga Springs, NY 12866

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About Camoin Associates

Camoin Associates has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. Through the services offered, Camoin Associates has had the opportunity to serve EDOs and local and state governments from Maine to California; corporations and organizations that include Lowes Home Improvement, FedEx, Volvo (Nova Bus) and the New York Islanders; as well as private developers proposing projects in excess of \$6 billion. Our reputation for detailed, place-specific, and accurate analysis has led to projects in 32 states and garnered attention from national media outlets including *Marketplace* (NPR), *Forbes* magazine, *The New York Times* and *The Wall Street Journal*. Additionally, our marketing strategies have helped our clients gain both national and local media coverage for their projects in order to build public support and leverage additional funding. We are based in Saratoga Springs, NY, with regional offices in Portland, ME; Boston, MA; Richmond, VA and Brattleboro, VT. To learn more about our experience and projects in all of our service lines, please visit our website at www.camoinassociates.com. You can also find us on Twitter [@camoinassociate](https://twitter.com/camoinassociate) and on [Facebook](https://www.facebook.com/camoinassociates).

The Project Team

Rachel Selsky
Project Principal

Jessica Ulbricht
Analyst

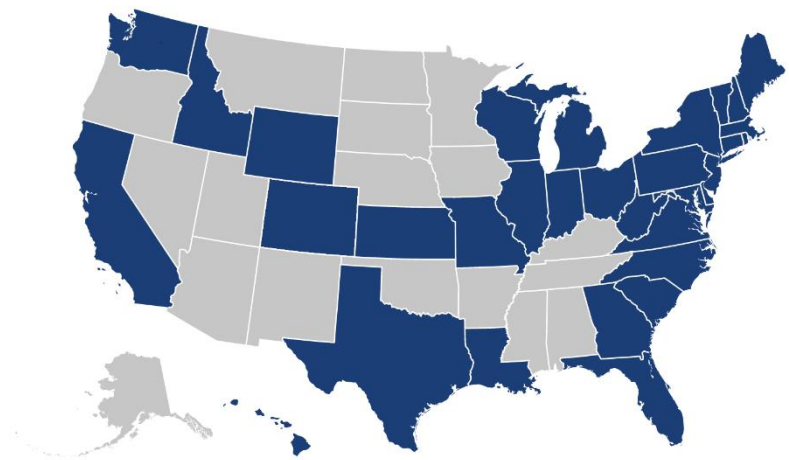




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Summary

The Nassau County Industrial Development Agency (the "Agency") received an application for financial assistance from SLC Development LLC (the "Applicant") for the completion of a proposed residential rental facility (the "Project") at 555 Stewart Avenue in the Incorporated Village of Garden City, Town of Hempstead, Nassau County, New York (the "Site"). The Project being proposed by the Applicant entails acquisition of the Site and construction of an approximately 194,033 square foot building, to consist of 150 rental units together with the acquisition of related furniture, fixtures, machinery, and equipment. The Applicant states 15 of the rental units will be affordable units.¹ The Agency commissioned Camoin Associates to conduct an economic and limited fiscal impact analysis of the Project on Nassau County (the "County").

Camoin Associates conducted a market analysis of both affordable and market-rate housing in Nassau County (the "County") to determine the extent to which any of the housing units would create "new" households and, therefore, new household spending in the County. We determined that 100% of the 15 affordable-rate units, and 33% of the 135 market-rate units (45 units) could be considered as providing "net new" households to the County (i.e. allowing households to exist in the County that otherwise would locate elsewhere). We then computed the total amount of net new spending by these new households to derive job creation resulting from the Project.

The following is a summary of our findings from this study, with details below.

Summary of Benefits to County	
Construction Phase Jobs	268
Construction Phase On-Site Jobs	158
Construction Phase Earnings	\$ 21,378,157
Construction Phase On-Site Earnings	\$ 14,632,158
One-Time Sales Tax Revenue to County	\$ 159,000
Annual Jobs	34
Direct Jobs	23
Indirect Jobs	11
Annual Earnings	\$ 1,571,503
Direct Earnings	\$ 876,830
Indirect Earnings	\$ 694,673
Average Annual Sales Tax Revenue to County	\$ 18,946
Average Annual PILOT Payment	\$ 1,305,147

- The construction of the building would result in approximately 158 new direct construction jobs generating over \$14.6 million in direct new earnings on-site and an additional \$6.7 million in indirect earnings.
- Following construction completion, the Project would support 34 net new jobs in the County with nearly \$1.6 million in associated earnings annually. Those figures are composed of net new jobs resulting from maintenance and operation of the facility and new economic activity from household spending.
- Sales associated with the Project would be taxed and therefore generate sales tax revenue for the County. Sales associated with the construction phase of the Project are estimated to contribute approximately \$159,000 to the County. Sales associated with the occupation phase of the project are estimated to contribute \$1,527 to the County annually.

¹ The Applicant stated that 15 of the 150 rental units, or 10%, will be designated as affordable housing, defined more specifically, as housing targeted to tenants with incomes at or below 80%, 60%, and 40% AMI for Nassau County, consistent with the Village of Garden City's affordable housing requirements.

- The Applicant has negotiated terms of a proposed PILOT agreement with the Agency, which includes a 21-year PILOT agreement. Under this proposed PILOT agreement, the Applicant would pay over \$27.4 million over the 21-year PILOT term, or an average of over \$1.3 million each year.

Summary of Costs to County	
Sales Tax Exemption	\$ 2,652,259
Mortgage Tax Exemption	\$ 476,982
Loss (Gain) of Property Tax Revenue	\$ (20,255,047)

Source: Applicant IDA Application, Nassau County IDA, Camoin Associates

- Through negotiations with the Agency, the Applicant could have access to a sales tax exemption valued at up to \$2,652,259 and a mortgage recording tax exemption valued at up to \$476,982. However, if we assume that the Project would not occur absent IDA benefits, this is not actually a “cost” to the County since no future revenue stream would exist without the exemptions.
- The schedule of payments to be made by the Applicant under the draft PILOT agreement would be approximately \$23,743,779 more than the property tax payments generated by the Site if the Project were not to occur. In other words, the PILOT represents a benefit to the affected taxing jurisdictions averaging approximately \$1.1 million per year.

Economic Impact Analysis

The estimates of direct economic activity generated during the construction phase, facility operation, and new resident spending as provided by the Applicant were used as the direct inputs for the economic impact model. Camoin Associates used the input-output model designed by Economic Modeling Specialists, International (EMSI) to calculate total economic impacts. EMSI allows the analyst to input the amount of new direct economic activity (spending or jobs) occurring within the County and uses the direct inputs to estimate the spillover effects that the net new spending or jobs have as these new dollars circulate through the Nassau County economy. This is captured in the indirect impacts and is commonly referred to as the "multiplier effect." See Attachment A for more information on economic impact analysis.

The Project would have economic impacts upon the County as a result of Project construction, new permanent jobs, and spending by new tenant households.

Construction Phase Impacts

The applicant anticipates that the private sector investment in the construction of the Project (excluding land acquisition) would cost approximately \$64,456,825.² If we assume that 60%³ of the construction spending would be sourced from within the County, we can project that there will be \$38,674,095 in net new spending in the County associated with the construction phase.

Construction Phase Spending	
Total Construction Cost	\$ 64,456,825
Percent Sourced from County	60%
Net New Construction Spending	\$ 38,674,095

Source: Applicant, Camoin Associates

Based on \$38,674,095 worth of net new direct spending associated with the construction phase of the Project, we determined that there would be over \$58.1 million in total one-time construction-related spending supporting about 268 jobs⁴ over the 24-month construction period⁵ throughout the County and \$21.4 million in earnings.

Economic Impact - Construction Phase			
	Direct	Indirect	Total
Jobs*	158	110	268
Earnings	\$ 14,632,158	\$ 6,745,999	\$ 21,378,157
Sales	\$ 38,674,095	\$ 19,450,266	\$ 58,124,361

*Applicant estimates 416 direct construction jobs, however, we estimate 158 based on \$38,674,095 worth of net new direct spending in the County

Source: EMSI, Camoin Associates

Based solely on information in the application, the project timeline should allow the Agency to reach the conclusion that there is a likelihood of accomplishing the project in a timely manner. Although we are not construction experts, nothing has come to our attention that would cause us to reach a contrary conclusion.

² Includes project costs as provided by Applicant under Project Costs, except for legal and financial fees, land acquisition, permits, and real estate taxes.

³ Based on estimated percent of labor and materials construction costs to be sourced in-county provided by the Applicant.

⁴ The applicant estimates 416 construction jobs will be created as a result of undertaking the project, however we estimate 158 direct construction jobs due to \$38,674,095 worth of net new direct spending.

⁵ As estimated by the Applicant.

Impacts of New Household Spending

In order to determine the annual economic impact of the Project on the County, the first step is to calculate the number of households that can be considered “net new” to the County’s economy. In other words, the number of households that, but for the Project, would not exist in Nassau County. With respect to this Project, net new households consist of (1) those currently residing outside of Nassau County who will choose to move to the County because of the Project, and who would otherwise continue to live elsewhere, (2) current residents of Nassau County who will move into the Project and would leave the County if the Project is not built, and (3) current residents of Nassau County who will move into the Project and free up other housing in the County which will then be occupied by new County residents.

For this study, we analyzed the existing supply and demand of both market-rate and affordable apartments. The following summarizes the research conducted to determine the percentage of the market-rate and affordable units that could be considered new to Nassau County.

In 2017, the vacancy rate for multifamily rental units for Long Island (Nassau and Suffolk counties) ranged from 0.7% to 8.3% depending on the class and style of development.⁶ Overall, vacancy rates remain below 3%, with less than 30% of inventory representing Class A product. According to Integra Realty Resources, new construction has been minimal, which will ensure continued rental increases.

The following table compares 2017 multifamily rental vacancy rates for Nassau/Suffolk counties, the U.S. East Region, and the nation:

2017 Annual Multifamily Vacancy Rates			
	Long Island*	East Region	National
Urban Class A	9.0%	7.0%	7.7%
Urban Class B	1.6%	3.8%	4.3%
Suburban Class A	5.3%	5.5%	5.2%
Suburban Class B	1.8%	3.1%	3.6%

* Nassau and Suffolk counties

Source: Integra Realty Resources

Overall, rental units comprise a low share of the total housing stock in Nassau and Suffolk counties, especially relative to neighboring New York City and the New York Metropolitan Statistical Area (MSA). Just 20.2% of Nassau County housing units are rental units, compared to 21.8% in Suffolk County, 69.1% in New York City, and 50.0% in the MSA.

Rental Housing Units, 2018		
	Renter-Occupied Units	% of All Occupied Units
Nassau County	91,089	20.2%
Suffolk County	109,490	21.8%
New York City	2,257,537	69.1%
New York MSA	3,707,070	50.0%

Source: ESRI

⁶ 2017 Long Island, NY Multifamily Annual Report. Integra Realty Resources

Given very low vacancies for multifamily rental units and the overall dearth of rental units in Nassau County, the Project will likely capture some amount of the County's pent-up rental housing demand, attracting net new residents to and/or retaining residents within the County.

While the demand for market-rate units in Nassau County is strong, the demand for affordable units is overwhelming the existing supply, creating a significant amount of unmet demand. The 2013-2017 American Community Survey 5-year Estimate reports median household income in the County at about \$106,000. For renters, median household income was significantly less, at about \$53,700, and over half (57.1%) of renters have a gross rent as a percentage of household income was of 30% or higher.^{7,8} This indicates a clear lack of affordable housing in the County, and any new affordable unit would attract a net new household to the County. Therefore, we assume that 100% of the tenants of the affordable units would be "net new." That is to say that without the creation of these rental units, these households would have to seek affordable housing outside of the County.

Net New Households

Due to the high demand for rental units in Nassau County and on Long Island in general, this analysis assumes that one third of households occupying market-rate units and 100% of those occupying affordable units will be net new to the County. This is based on a review of census data and an understanding of the proposed Project marketing as detailed above.

The assumptions described are shown in the following table, which shows the total number of net new households we assume the Project will create.

Net New Households			
	Total Households	Percent Net New	Net New Households
Market-rate	135	33%	45
Affordable	15	100%	15
Total	150	40%	60

**Figures rounded*

Source: Esri, Camoin Associates

Spending by New Tenants

The Project consists of 150 total apartment units. Of these apartments, 10%, or 15 units, will be affordable units. These 15 affordable units will be available to households at up to 80% of area median income (AMI),⁹ and rent shall be no more than 30% of gross income. As noted above, Camoin Associates estimates that 100% of these units will be occupied by new households. Camoin Associates estimates that one third of market-rate units, or 45 of the market-rate units, would be occupied by new households. Therefore, of the 150 total units, 60 will be considered net new to Nassau County.

New households would make purchases in the County, thereby adding new dollars to the Nassau County economy. For this analysis, we researched spending patterns by household income to differentiate the spending by affordable-rate tenants versus market-rate tenants.

⁷ Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

⁸ Affordable housing is generally defined as housing that costs no more than 30% of the occupant household's income.

⁹ HUD typically defines area median income (AMI) at the Metropolitan Statistical Area (MSA) level. However, because the New York-Northern New Jersey-Long Island, NY-NJ-PA MSA is so large, it is divided into sub-regions called HUD Metro Fair Market Rent Areas (HMFAs). Nassau County is located within the Nassau-Suffolk, NY HMFA.

Nassau-Suffolk median family income in 2017 was \$105,744.¹⁰ The Applicant states that 15 units will be considered affordable housing units for families making 80% AMI or less. The 80% AMI income can be estimated at approximately \$84,595. Using a spending basket for the region which details household spending in individual consumer categories by income level, we analyzed likely tenant spending. We consider spending for the 80% AMI group to have a household spending bracket between \$70,000 and \$99,999.¹¹ According to the Bureau of Labor Statistics 2017 Consumer Expenditure Survey, households with an income between \$70,000 and \$99,999 to have annual expenditures (excluding housing and utility costs) of \$35,482.

For market-rate units, household income figures were derived from rental rates for comparable units in the area and estimating that housing costs typically account for 30% of a household's income. Given market rents of approximately \$3,000 for comparable units in the vicinity of the Project, qualifying tenants would need a household income of at least \$120,000. Market-rate households, assumed to fall within the \$100,000-\$149,999 income bracket, have average annual expenditures of \$60,904, excluding housing and utility costs.¹² The second column in the table below shows the total spending for both market-rate and affordable-rate households by category.

It is assumed that 70% of total expenditures would occur within Nassau County and, therefore, have an impact on the Nassau County economy. The third column shows the total amount spent in the County.

¹⁰ Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

¹¹ Source: Housing and Urban Development

¹² Source: Bureau of Labor Statistics: Consumer Expenditure Survey 2017

Tenant Spending Basket			
Market-Rate Units (\$100,000 to \$149,999 Annual Household Income)			
Category	Annual per Unit Spending Basket	Amount Spent in County (70%)	Total Net New County Spending (45 net new units)
Food	\$ 12,171	\$ 8,520	\$ 383,387
Household furnishings and equipment	\$ 4,091	\$ 2,864	\$ 128,867
Apparel and services	\$ 3,424	\$ 2,397	\$ 107,856
Transportation	\$ 18,753	\$ 13,127	\$ 590,720
Health care	\$ 7,431	\$ 5,202	\$ 234,077
Entertainment	\$ 7,158	\$ 5,011	\$ 225,477
Personal care products and services	\$ 1,361	\$ 953	\$ 42,872
Education	\$ 4,458	\$ 3,121	\$ 140,427
Miscellaneous	\$ 2,057	\$ 1,440	\$ 64,796
Annual Discretionary Spending	\$ 60,904	\$ 42,633	\$ 1,918,476
Affordable Units for Tenants Earning 80% AMI (\$70,000 to \$99,999 Annual Household Income)			
Category	Annual per Unit Spending Basket	Amount Spent in County (70%)	Total Net New County Spending (15 net new units)
Food	\$ 8,385	\$ 5,870	\$ 88,043
Household furnishings and equipment	\$ 2,362	\$ 1,653	\$ 24,801
Apparel and services	\$ 1,981	\$ 1,387	\$ 20,801
Transportation	\$ 10,795	\$ 7,557	\$ 113,348
Health care	\$ 5,639	\$ 3,947	\$ 59,210
Entertainment	\$ 3,466	\$ 2,426	\$ 36,393
Personal care products and services	\$ 836	\$ 585	\$ 8,778
Education	\$ 1,115	\$ 781	\$ 11,708
Miscellaneous	\$ 903	\$ 632	\$ 9,482
Annual Discretionary Spending	\$ 35,482	\$ 24,837	\$ 372,561
Total Net New County Spending			\$ 2,291,037

Source: 2017 Consumer Expenditure Survey, Bureau of Labor Statistics

The total net new spending in the County was calculated by multiplying the amount spent in the County by the number of net new units. As shown in the table above, spending in the County by all new households would total \$2,291,037 per year. We used the above spending basket amounts to calculate the direct, indirect, and total impact of the Project on the County. To do this, we attributed the various spending categories to the NAICS codes found in the table below.

Spending Basket Breakdown by NAICS Code		
NAICS Code	Industry	Spending Basket Category
445110	Supermarkets and Other Grocery (except Convenience) Stores	Food
722511	Full-Service Restaurants	Food
442299	All Other Home Furnishings Stores	Household furnishings and equipment
448140	Family Clothing Stores	Apparel and services
441110	New Car Dealers	Transportation
447110	Gasoline Stations with Convenience Stores	Transportation
811111	General Automotive Repair	Transportation
524114	Direct Health and Medical Insurance Carriers	Health care
622110	General Medical and Surgical Hospitals (Private)	Health care
512131	Motion Picture Theaters	Entertainment
452319	All Other General Merchandise Stores	Entertainment, Personal care products and services, Miscellaneous
	All Other General Merchandise Stores	Personal care products and services
	All Other General Merchandise Stores	Miscellaneous
611310	Colleges, Universities, and Professional Schools	Education

Using \$2,291,037 as the new sales input, Camoin Associates employed EMSI to determine the indirect and total impact of the Project. The following table outlines the findings of this analysis.

Annual Economic Impact - Household Spending			
	Direct	Indirect	Total
Jobs	21	9	30
Earnings	\$ 790,127	\$ 576,046	\$ 1,366,172
Sales	\$ 2,291,039	\$ 1,623,439	\$ 3,914,478

Source: EMSI, Camoin Associates

Spending from tenant households will result in a total of 30 net new jobs, nearly \$1.4 million in earnings, and nearly \$4 million in sales in Nassau County, annually.

Impacts of On-Site Employment

The Applicant projects that 4 full-time workers will be employed on-site within three years of Project completion. Sixty of the 150 housing units, or 40%, are considered net new to the County; therefore, 40% of the 4 on-site jobs projected by the Applicant would be net new. We estimate this to be approximately 2 net new jobs. The table below details the impact the 2 new jobs will have on Nassau County in terms of direct, indirect, and total impacts on employment and wages.

Annual Economic Impact - Occupation Phase			
	Direct	Indirect	Total
Jobs	2	2	4
Earnings	\$ 86,704	\$ 118,627	\$ 205,331
Sales	\$ 410,080	\$ 339,963	\$ 750,043

Source: EMSI, Camoin Associates

As shown in the table above, we anticipate that 2 new jobs and \$86,704 in new earnings would occur at the Site itself. Taking into account the additional indirect and induced economic impacts on Nassau County from the 2 direct jobs, total employment created by the Project's occupation phase is estimated at 4 jobs and over \$205,000 in annual earnings. Over \$750,000 in total sales would be generated each year as a result of the Project's occupation phase.

The total economic impact of both new household spending as well as operation and maintenance of the new multifamily residential facility is displayed in the table below.

Annual Economic Impact - Household Spending			
	Direct	Indirect	Total
Jobs	21	9	30
Earnings	\$ 790,127	\$ 576,046	\$ 1,366,172
Sales	\$ 2,291,039	\$ 1,623,439	\$ 3,914,478
Annual Economic Impact - Occupation Phase			
	Direct	Indirect	Total
Jobs	2	2	4
Earnings	\$ 86,704	\$ 118,627	\$ 205,331
Sales	\$ 410,080	\$ 339,963	\$ 750,043
Annual Economic Impact - Combined Annual Impact			
	Direct	Indirect	Total
Jobs	23	11	34
Earnings	\$ 876,830	\$ 694,673	\$ 1,571,503
Sales	\$ 2,701,119	\$ 1,963,402	\$ 4,664,521

Source: EMSI, Camoin Associates

The total annual economic impact would support 34 new jobs with nearly \$1.6 million in new earnings, and nearly \$4.7 million in new sales.

Fiscal Impact Analysis

In addition to the economic impact of the Project on the local economy (outlined above), there would also be a fiscal impact in terms of annual property tax and sales tax generation. The following section of the analysis outlines the impact of the completion of the Project on the local taxing jurisdictions in terms of the cost and/or benefit to municipal budgets.

Payment in Lieu of Taxes (PILOT)

The Applicant has applied to the Agency for a Payment In Lieu of Taxes (PILOT) agreement. The Applicant has proposed a 21-year payment schedule based on the current tax rate, taxable value, and assessed value of the Project, as shown in the following table:

Tax Payments with PILOT	
Year	PILOT Payments
1	\$ 142,119
2	\$ 144,961
3	\$ 147,860
4	\$ 150,817
5	\$ 279,064
6	\$ 412,379
7	\$ 550,916
8	\$ 694,829
9	\$ 844,279
10	\$ 999,428
11	\$ 1,160,446
12	\$ 1,327,505
13	\$ 1,500,781
14	\$ 1,680,458
15	\$ 1,866,722
16	\$ 2,059,764
17	\$ 2,259,781
18	\$ 2,466,975
19	\$ 2,681,552
20	\$ 2,903,726
21	\$ 3,133,715
Total	\$ 27,408,077
Average	\$ 1,305,147

Source: Nassau County IDA, Camoin Associates

Tax Policy Comparison

Without financial assistance from the Agency, Camoin Associates assumes that the Applicant would not undertake the Project. Based on the current taxes applicable on the Site and an assumed annual increase to the tax rate of 2.00%¹³ (holding taxable value constant), the following table outlines the estimated tax payments made by the building owner without the Project.

Tax Payment Without Project	
Year	Property Tax Payment Without Project*
1	\$ 142,119
2	\$ 144,961
3	\$ 147,861
4	\$ 150,818
5	\$ 153,834
6	\$ 156,911
7	\$ 160,049
8	\$ 163,250
9	\$ 166,515
10	\$ 169,845
11	\$ 173,242
12	\$ 176,707
13	\$ 180,241
14	\$ 183,846
15	\$ 187,523
16	\$ 191,273
17	\$ 195,099
18	\$ 199,001
19	\$ 202,981
20	\$ 207,041
21	\$ 211,181
Total	\$ 3,664,298
Average	\$ 174,490

*Assumes 2.00% annual increase.

Source: Nassau County IDA, Camoin Associates

¹³ The tax rate is increased by 2.00% annually, the maximum inflation factor that can be reasonably anticipated into the future. New York State property tax cap legislation limits tax levy growth to an inflation factor set by the State or 2.00%, whichever is less, the amount by which a government entity may increase its annual tax levy (certain exceptions apply). Although in recent years the inflation factor has been less than 2.00%, using 2.00% for the purposes of comparing future otherwise applicable property tax payments without the Project to the proposed PILOT schedule provides a conservative estimate of the Project's benefit/cost to the County.

The table below calculates the benefit (or cost) to the affected taxing jurisdictions as the difference between the PILOT payments associated with the Project and the property tax payments without the Project. Over the course of the proposed PILOT term, the average annual collection by local jurisdictions would be approximately \$1.1 million more in PILOT revenue than property taxes without the Project. The total benefit to the affected taxing jurisdictions of the PILOT agreement over 21 years would be \$23,743,779.

Tax Policy Comparison			
Year	A Property Tax Payment Without Project	B PILOT Payment	C Benefit (Cost) To County of Project (Col. B - Col. A)
1	\$ 142,119	\$ 142,119	\$ -
2	\$ 144,961	\$ 144,961	\$ -
3	\$ 147,861	\$ 147,860	\$ (1)
4	\$ 150,818	\$ 150,817	\$ (1)
5	\$ 153,834	\$ 279,064	\$ 125,230
6	\$ 156,911	\$ 412,379	\$ 255,468
7	\$ 160,049	\$ 550,916	\$ 390,867
8	\$ 163,250	\$ 694,829	\$ 531,579
9	\$ 166,515	\$ 844,279	\$ 677,764
10	\$ 169,845	\$ 999,428	\$ 829,583
11	\$ 173,242	\$ 1,160,446	\$ 987,204
12	\$ 176,707	\$ 1,327,505	\$ 1,150,798
13	\$ 180,241	\$ 1,500,781	\$ 1,320,540
14	\$ 183,846	\$ 1,680,458	\$ 1,496,612
15	\$ 187,523	\$ 1,866,722	\$ 1,679,199
16	\$ 191,273	\$ 2,059,764	\$ 1,868,491
17	\$ 195,099	\$ 2,259,781	\$ 2,064,682
18	\$ 199,001	\$ 2,466,975	\$ 2,267,974
19	\$ 202,981	\$ 2,681,552	\$ 2,478,571
20	\$ 207,041	\$ 2,903,726	\$ 2,696,685
21	\$ 211,181	\$ 3,133,715	\$ 2,922,534
Total	\$ 3,664,298	\$ 27,408,077	\$ 23,743,779
Average	\$ 174,490	\$ 1,305,147	\$ 1,130,656

Source: Nassau County IDA, Camoin Associates

Other Exemptions

The PILOT program would offer the Applicant savings in terms of property tax benefits, but there are other benefits to working with the Agency including a sales tax exemption on construction materials and furniture, fixtures, and equipment and a mortgage recording tax exemption.

Summary of Costs to County	
Sales Tax Exemption	\$ 2,652,259
Mortgage Tax Exemption	\$ 476,982
Loss (Gain) of Property Tax Revenue	\$ (20,255,047)

Source: Applicant IDA Application, Nassau County IDA, Camoin Associates

The additional incentives offered by the County will benefit the Applicant but will not negatively affect the County because, without the Project, the County by definition would not be receiving any associated sales tax or mortgage tax revenue.

Sales Tax Revenue - Construction Phase

The one-time construction phase earnings described by the total economic impact of the construction work (described in above section) would lead to additional sales tax revenue for the County. It is assumed that 70%¹⁴ of the construction phase earnings would be spent within Nassau County and that 25% of those purchases would be taxable.

One-Time County Sales Tax Revenue Construction Phase	
Total New Earnings	\$21,378,157
Amount Spent in County (70%)	\$14,964,710
Amount Taxable (25%)	\$ 3,741,177
County Sales Tax Rate	4.25%
New County Tax Revenue	\$ 159,000

Source: Nassau County, Camoin Associates

As a result of the construction phase employment, the County would receive approximately \$159,000 in new sales tax revenue from the economic impacts of construction.

Sales Tax Revenue – New Household Spending

In addition to sales tax generated by the construction phase, the County would also receive sales tax revenue from the purchases made by the new households. Based on in-County spending by new households, Nassau County would receive \$17,419 annually in net new sales tax revenue.

¹⁴ A retail leakage analysis of Nassau County suggests that a vast majority of the goods and services that employees will be purchasing are available within the county (food, clothing, vehicles, computers, etc.), but there still will be some outside spending on travel and through purchases made online and in neighboring counties. Based on third party proprietary retail spending data, 70% is a reasonable assumption for the amount of in-county spending.
(Source: ESRI Business Analysis Online Retail Market Profile)

Annual County Sales Tax Revenue Household Spending	
Total New Earnings	\$1,366,172
Amount Taxable (30%)	\$ 409,852
County Sales Tax Rate	4.25%
New County Tax Revenue	\$ 17,419

Source: Nassau County, Camoin Associates

Note that the household spending figure has already been adjusted to account for 70% of total spending occurring within the County (see page 7, table entitled "Tenant Spending Baskets"). Also note that we have used a higher value for "Amount Taxable" as compared to the previous tables (30% rather than 25%) since certain non-taxable items (related to housing expenses) have been removed from the total spending line, thus increasing the remaining portion taxable.

Sales Tax Revenue – Employee Earnings

The new earnings generated by onsite jobs that will occur as a result of building occupation at the Project (described under Impacts of On-Site Employment) would lead to additional annual sales tax revenue for the County. It is assumed that 70% of the earnings would be spent within Nassau County and that 25% of those purchases will be taxable.

Annual County Sales Tax Revenue Occupation Phase	
Total New Earnings	\$ 205,331
Amount Spent in County (70%)	\$ 143,732
Amount Taxable (25%)	\$ 35,933
County Sales Tax Rate	4.25%
New County Tax Revenue	\$ 1,527

Source: Nassau County, Camoin Associates

Under these assumptions, the County would receive approximately \$1,527 each year in new tax revenue from the economic impacts of the Project's occupation phase.

Total Annual Sales Tax Revenue

In total, we estimate that the County would receive \$18,946 in annual sales tax related to the Project.

Total Annual County Sales Tax Revenue	
Household Spending	\$ 17,419
Onsite Employee Earnings	\$ 1,527
New County Tax Revenue	\$ 18,946

Source: Nassau County, Camoin Associates

Attachment A: What is Economic Impact Analysis?

The purpose of conducting an economic impact study is to ascertain the total cumulative changes in employment, earnings and output in a given economy due to some initial “change in final demand”. To understand the meaning of “change in final demand”, consider the installation of a new widget manufacturer in Anytown, USA. The widget manufacturer sells \$1 million worth of its widgets per year exclusively to consumers in Canada. Therefore, the annual change in final demand in the United States is \$1 million because dollars are flowing in from outside the United States and are therefore “new” dollars in the economy.

This change in final demand translates into the first round of buying and selling that occurs in an economy. For example, the widget manufacturer must buy its inputs of production (electricity, steel, etc.), must lease or purchase property and pay its workers. This first round is commonly referred to as the “Direct Effects” of the change in final demand and is the basis of additional rounds of buying and selling described below.

To continue this example, the widget manufacturer’s vendors (the supplier of electricity and the supplier of steel) will enjoy additional output (i.e. sales) that will sustain their businesses and cause them to make additional purchases in the economy. The steel producer will need more pig iron and the electric company will purchase additional power from generation entities. In this second round, some of those additional purchases will be made in the US economy and some will “leak out”. What remains will cause a third round (with leakage) and a fourth (and so on) in ever-diminishing rounds of industry-to-industry purchases. Finally, the widget manufacturer has employees who will naturally spend their wages. Again, those wages spent will either be for local goods and services or will “leak” out of the economy. The purchases of local goods and services will then stimulate other local economic activity. Together, these effects are referred to as the “Indirect Effects” of the change in final demand.

Therefore, the total economic impact resulting from the new widget manufacturer is the initial \$1 million of new money (i.e. Direct Effects) flowing in the US economy, plus the Indirect Effects. The ratio of Total Effects to Direct Effects is called the “multiplier effect” and is often reported as a dollar-of-impact per dollar-of-change. Therefore, a multiplier of 2.4 means that for every dollar (\$1) of change in final demand, an additional \$1.40 of indirect economic activity occurs for a total of \$2.40.

Key information for the reader to retain is that this type of analysis requires rigorous and careful consideration of the geography selected (i.e. how the “local economy” is defined) and the implications of the geography on the computation of the change in final demand. If this analysis wanted to consider the impact of the widget manufacturer on the entire North American continent, it would have to conclude that the change in final demand is zero and therefore the economic impact is zero. This is because the \$1 million of widgets being purchased by Canadians is not causing total North American demand to increase by \$1 million. Presumably, those Canadian purchasers will have \$1 million less to spend on other items and the effects of additional widget production will be cancelled out by a commensurate reduction in the purchases of other goods and services.

Changes in final demand, and therefore Direct Effects, can occur in a number of circumstances. The above example is easiest to understand: the effect of a manufacturer producing locally but selling globally. If, however, 100% of domestic demand for a good is being met by foreign suppliers (say, DVD players being imported into the US from Korea and Japan), locating a manufacturer of DVD players in the US will cause a change in final demand because all of those dollars currently leaving the US economy will instead remain. A situation can be envisioned whereby a producer is serving both local and foreign demand, and an impact analysis would have to be careful in calculating how many “new” dollars the producer would be causing to occur domestically.

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SLC Development LLC: Economic and Fiscal Impact Analysis

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About Camoin Associates

Camoin Associates has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. Through the services offered, Camoin Associates has had the opportunity to serve EDOs and local and state governments from Maine to California; corporations and organizations that include Lowes Home Improvement, FedEx, Volvo (Nova Bus) and the New York Islanders; as well as private developers proposing projects in excess of \$6 billion. Our reputation for detailed, place-specific, and accurate analysis has led to projects in 32 states and garnered attention from national media outlets including *Marketplace* (NPR), *Forbes* magazine, *The New York Times* and *The Wall Street Journal*. Additionally, our marketing strategies have helped our clients gain both national and local media coverage for their projects in order to build public support and leverage additional funding. We are based in Saratoga Springs, NY, with regional offices in Portland, ME; Boston, MA; Richmond, VA and Brattleboro, VT. To learn more about our experience and projects in all of our service lines, please visit our website at www.camoinassociates.com. You can also find us on Twitter [@camoinassociate](https://twitter.com/camoinassociate) and on [Facebook](https://www.facebook.com/camoinassociates).

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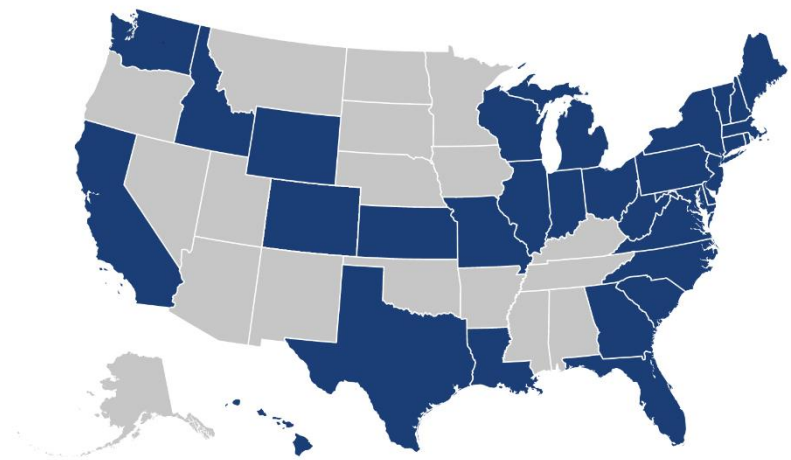


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Summary

The Nassau County Industrial Development Agency (the "Agency") received an application for financial assistance from SLC Development LLC (the "Applicant") for the completion of a proposed residential rental facility (the "Project") at 555 Stewart Avenue in the Incorporated Village of Garden City, Town of Hempstead, Nassau County, New York (the "Site"). The Project being proposed by the Applicant entails acquisition of the Site and construction of an approximately 194,033 square foot building, to consist of 150 rental units together with the acquisition of related furniture, fixtures, machinery, and equipment. The Applicant states 15 of the rental units will be affordable units.¹ The Agency commissioned Camoin Associates to conduct an economic and limited fiscal impact analysis of the Project on Nassau County (the "County").

Camoin Associates conducted a market analysis of both affordable and market-rate housing in Nassau County (the "County") to determine the extent to which any of the housing units would create "new" households and, therefore, new household spending in the County. We determined that 100% of the 15 affordable-rate units, and 33% of the 135 market-rate units (45 units) could be considered as providing "net new" households to the County (i.e. allowing households to exist in the County that otherwise would locate elsewhere). We then computed the total amount of net new spending by these new households to derive job creation resulting from the Project.

The following is a summary of our findings from this study, with details below.

Summary of Benefits to County	
Construction Phase Jobs	268
Construction Phase On-Site Jobs	158
Construction Phase Earnings	\$ 21,378,157
Construction Phase On-Site Earnings	\$ 14,632,158
One-Time Sales Tax Revenue to County	\$ 159,000
Annual Jobs	34
Direct Jobs	23
Indirect Jobs	11
Annual Earnings	\$ 1,571,503
Direct Earnings	\$ 876,830
Indirect Earnings	\$ 694,673
Average Annual Sales Tax Revenue to County	\$ 18,946
Average Annual PILOT Payment	\$ 1,074,199

- The construction of the building would result in approximately 158 new direct construction jobs generating over \$14.6 million in direct new earnings on-site and an additional \$6.7 million in indirect earnings.
- Following construction completion, the Project would support 34 net new jobs in the County with nearly \$1.6 million in associated earnings annually. Those figures are composed of net new jobs resulting from maintenance and operation of the facility and new economic activity from household spending.
- Sales associated with the Project would be taxed and therefore generate sales tax revenue for the County. Sales associated with the construction phase of the Project are estimated to contribute approximately \$159,000 to the County. Sales associated with the occupation phase of the project are estimated to contribute \$1,527 to the County annually.

¹ The Applicant stated that 15 of the 150 rental units, or 10%, will be designated as affordable housing, defined more specifically, as housing targeted to tenants with incomes at or below 80%, 60%, and 40% AMI for Nassau County, consistent with the Village of Garden City's affordable housing requirements.

- The Applicant has negotiated terms of a proposed PILOT agreement with the Agency, which includes a 21-year PILOT agreement. Under this proposed PILOT agreement, the Applicant would pay nearly \$22.6 million over the 21-year PILOT term, or an average of over \$1.0 million each year.

Summary of Costs to County	
Sales Tax Exemption	\$ 2,652,259
Mortgage Tax Exemption	\$ 476,982
Loss (Gain) of Property Tax Revenue	\$ (20,255,047)

Source: Applicant IDA Application, Nassau County IDA, Camoin Associates

- Through negotiations with the Agency, the Applicant could have access to a sales tax exemption valued at up to \$2,652,259 and a mortgage recording tax exemption valued at up to \$476,982. However, if we assume that the Project would not occur absent IDA benefits, this is not actually a “cost” to the County since no future revenue stream would exist without the exemptions.
- The schedule of payments to be made by the Applicant under the draft PILOT agreement would be approximately \$19,249,090 more than the property tax payments generated by the Site if the Project were not to occur. In other words, the PILOT represents a benefit to the affected taxing jurisdictions averaging approximately \$916,623 million per year.

Economic Impact Analysis

The estimates of direct economic activity generated during the construction phase, facility operation, and new resident spending as provided by the Applicant were used as the direct inputs for the economic impact model. Camoin Associates used the input-output model designed by Economic Modeling Specialists, International (EMSI) to calculate total economic impacts. EMSI allows the analyst to input the amount of new direct economic activity (spending or jobs) occurring within the County and uses the direct inputs to estimate the spillover effects that the net new spending or jobs have as these new dollars circulate through the Nassau County economy. This is captured in the indirect impacts and is commonly referred to as the "multiplier effect." See Attachment A for more information on economic impact analysis.

The Project would have economic impacts upon the County as a result of Project construction, new permanent jobs, and spending by new tenant households.

Construction Phase Impacts

The applicant anticipates that the private sector investment in the construction of the Project (excluding land acquisition) would cost approximately \$64,456,825.² If we assume that 60%³ of the construction spending would be sourced from within the County, we can project that there will be \$38,674,095 in net new spending in the County associated with the construction phase.

Construction Phase Spending	
Total Construction Cost	\$ 64,456,825
Percent Sourced from County	60%
Net New Construction Spending	\$ 38,674,095

Source: Applicant, Camoin Associates

Based on \$38,674,095 worth of net new direct spending associated with the construction phase of the Project, we determined that there would be over \$58.1 million in total one-time construction-related spending supporting about 268 jobs⁴ over the 24-month construction period⁵ throughout the County and \$21.4 million in earnings.

Economic Impact - Construction Phase			
	Direct	Indirect	Total
Jobs*	158	110	268
Earnings	\$ 14,632,158	\$ 6,745,999	\$ 21,378,157
Sales	\$ 38,674,095	\$ 19,450,266	\$ 58,124,361

*Applicant estimates 416 direct construction jobs, however, we estimate 158 based on \$38,674,095 worth of net new direct spending in the County
Source: EMSI, Camoin Associates

Based solely on information in the application, the project timeline should allow the Agency to reach the conclusion that there is a likelihood of accomplishing the project in a timely manner. Although we are not construction experts, nothing has come to our attention that would cause us to reach a contrary conclusion.

² Includes project costs as provided by Applicant under Project Costs, except for legal and financial fees, land acquisition, permits, and real estate taxes.

³ Based on estimated percent of labor and materials construction costs to be sourced in-county provided by the Applicant.

⁴ The applicant estimates 416 construction jobs will be created as a result of undertaking the project, however we estimate 158 direct construction jobs due to \$38,674,095 worth of net new direct spending.

⁵ As estimated by the Applicant.

Impacts of New Household Spending

In order to determine the annual economic impact of the Project on the County, the first step is to calculate the number of households that can be considered “net new” to the County’s economy. In other words, the number of households that, but for the Project, would not exist in Nassau County. With respect to this Project, net new households consist of (1) those currently residing outside of Nassau County who will choose to move to the County because of the Project, and who would otherwise continue to live elsewhere, (2) current residents of Nassau County who will move into the Project and would leave the County if the Project is not built, and (3) current residents of Nassau County who will move into the Project and free up other housing in the County which will then be occupied by new County residents.

For this study, we analyzed the existing supply and demand of both market-rate and affordable apartments. The following summarizes the research conducted to determine the percentage of the market-rate and affordable units that could be considered new to Nassau County.

In 2017, the vacancy rate for multifamily rental units for Long Island (Nassau and Suffolk counties) ranged from 0.7% to 8.3% depending on the class and style of development.⁶ Overall, vacancy rates remain below 3%, with less than 30% of inventory representing Class A product. According to Integra Realty Resources, new construction has been minimal, which will ensure continued rental increases.

The following table compares 2017 multifamily rental vacancy rates for Nassau/Suffolk counties, the U.S. East Region, and the nation:

2017 Annual Multifamily Vacancy Rates			
	Long Island*	East Region	National
Urban Class A	9.0%	7.0%	7.7%
Urban Class B	1.6%	3.8%	4.3%
Suburban Class A	5.3%	5.5%	5.2%
Suburban Class B	1.8%	3.1%	3.6%

* Nassau and Suffolk counties

Source: Integra Realty Resources

Overall, rental units comprise a low share of the total housing stock in Nassau and Suffolk counties, especially relative to neighboring New York City and the New York Metropolitan Statistical Area (MSA). Just 20.2% of Nassau County housing units are rental units, compared to 21.8% in Suffolk County, 69.1% in New York City, and 50.0% in the MSA.

Rental Housing Units, 2018		
	Renter-Occupied Units	% of All Occupied Units
Nassau County	91,089	20.2%
Suffolk County	109,490	21.8%
New York City	2,257,537	69.1%
New York MSA	3,707,070	50.0%

Source: ESRI

⁶ 2017 Long Island, NY Multifamily Annual Report. Integra Realty Resources

Given very low vacancies for multifamily rental units and the overall dearth of rental units in Nassau County, the Project will likely capture some amount of the County's pent-up rental housing demand, attracting net new residents to and/or retaining residents within the County.

While the demand for market-rate units in Nassau County is strong, the demand for affordable units is overwhelming the existing supply, creating a significant amount of unmet demand. The 2013-2017 American Community Survey 5-year Estimate reports median household income in the County at about \$106,000. For renters, median household income was significantly less, at about \$53,700, and over half (57.1%) of renters have a gross rent as a percentage of household income was of 30% or higher.^{7,8} This indicates a clear lack of affordable housing in the County, and any new affordable unit would attract a net new household to the County. Therefore, we assume that 100% of the tenants of the affordable units would be "net new." That is to say that without the creation of these rental units, these households would have to seek affordable housing outside of the County.

Net New Households

Due to the high demand for rental units in Nassau County and on Long Island in general, this analysis assumes that one third of households occupying market-rate units and 100% of those occupying affordable units will be net new to the County. This is based on a review of census data and an understanding of the proposed Project marketing as detailed above.

The assumptions described are shown in the following table, which shows the total number of net new households we assume the Project will create.

Net New Households			
	Total Households	Percent Net New	Net New Households
Market-rate	135	33%	45
Affordable	15	100%	15
Total	150	40%	60

**Figures rounded*

Source: Esri, Camoin Associates

Spending by New Tenants

The Project consists of 150 total apartment units. Of these apartments, 10%, or 15 units, will be affordable units. These 15 affordable units will be available to households at up to 80% of area median income (AMI),⁹ and rent shall be no more than 30% of gross income. As noted above, Camoin Associates estimates that 100% of these units will be occupied by new households. Camoin Associates estimates that one third of market-rate units, or 45 of the market-rate units, would be occupied by new households. Therefore, of the 150 total units, 60 will be considered net new to Nassau County.

⁷ Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

⁸ Affordable housing is generally defined as housing that costs no more than 30% of the occupant household's income.

⁹ HUD typically defines area median income (AMI) at the Metropolitan Statistical Area (MSA) level. However, because the New York-Northern New Jersey-Long Island, NY-NJ-PA MSA is so large, it is divided into sub-regions called HUD Metro Fair Market Rent Areas (HMFAs). Nassau County is located within the Nassau-Suffolk, NY HMFA.

New households would make purchases in the County, thereby adding new dollars to the Nassau County economy. For this analysis, we researched spending patterns by household income to differentiate the spending by affordable-rate tenants versus market-rate tenants.

Nassau-Suffolk median family income in 2017 was \$105,744.¹⁰ The Applicant states that 15 units will be considered affordable housing units for families making 80% AMI or less. The 80% AMI income can be estimated at approximately \$84,595. Using a spending basket for the region which details household spending in individual consumer categories by income level, we analyzed likely tenant spending. We consider spending for the 80% AMI group to have a household spending bracket between \$70,000 and \$99,999.¹¹ According to the Bureau of Labor Statistics 2017 Consumer Expenditure Survey, households with an income between \$70,000 and \$99,999 to have annual expenditures (excluding housing and utility costs) of \$35,482.

For market-rate units, household income figures were derived from rental rates for comparable units in the area and estimating that housing costs typically account for 30% of a household's income. Given market rents of approximately \$3,000 for comparable units in the vicinity of the Project, qualifying tenants would need a household income of at least \$120,000. Market-rate households, assumed to fall within the \$100,000-\$149,999 income bracket, have average annual expenditures of \$60,904, excluding housing and utility costs.¹² The second column in the table below shows the total spending for both market-rate and affordable-rate households by category.

It is assumed that 70% of total expenditures would occur within Nassau County and, therefore, have an impact on the Nassau County economy. The third column shows the total amount spent in the County.

¹⁰ Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

¹¹ Source: Housing and Urban Development

¹² Source: Bureau of Labor Statistics: Consumer Expenditure Survey 2017

Tenant Spending Basket			
Market-Rate Units (\$100,000 to \$149,999 Annual Household Income)			
Category	Annual per Unit Spending Basket	Amount Spent in County (70%)	Total Net New County Spending (45 net new units)
Food	\$ 12,171	\$ 8,520	\$ 383,387
Household furnishings and equipment	\$ 4,091	\$ 2,864	\$ 128,867
Apparel and services	\$ 3,424	\$ 2,397	\$ 107,856
Transportation	\$ 18,753	\$ 13,127	\$ 590,720
Health care	\$ 7,431	\$ 5,202	\$ 234,077
Entertainment	\$ 7,158	\$ 5,011	\$ 225,477
Personal care products and services	\$ 1,361	\$ 953	\$ 42,872
Education	\$ 4,458	\$ 3,121	\$ 140,427
Miscellaneous	\$ 2,057	\$ 1,440	\$ 64,796
Annual Discretionary Spending	\$ 60,904	\$ 42,633	\$ 1,918,476
Affordable Units for Tenants Earning 80% AMI (\$70,000 to \$99,999 Annual Household Income)			
Category	Annual per Unit Spending Basket	Amount Spent in County (70%)	Total Net New County Spending (15 net new units)
Food	\$ 8,385	\$ 5,870	\$ 88,043
Household furnishings and equipment	\$ 2,362	\$ 1,653	\$ 24,801
Apparel and services	\$ 1,981	\$ 1,387	\$ 20,801
Transportation	\$ 10,795	\$ 7,557	\$ 113,348
Health care	\$ 5,639	\$ 3,947	\$ 59,210
Entertainment	\$ 3,466	\$ 2,426	\$ 36,393
Personal care products and services	\$ 836	\$ 585	\$ 8,778
Education	\$ 1,115	\$ 781	\$ 11,708
Miscellaneous	\$ 903	\$ 632	\$ 9,482
Annual Discretionary Spending	\$ 35,482	\$ 24,837	\$ 372,561
Total Net New County Spending			\$ 2,291,037

Source: 2017 Consumer Expenditure Survey, Bureau of Labor Statistics

The total net new spending in the County was calculated by multiplying the amount spent in the County by the number of net new units. As shown in the table above, spending in the County by all new households would total \$2,291,037 per year. We used the above spending basket amounts to calculate the direct, indirect, and total impact of the Project on the County. To do this, we attributed the various spending categories to the NAICS codes found in the table below.

Spending Basket Breakdown by NAICS Code		
NAICS Code	Industry	Spending Basket Category
445110	Supermarkets and Other Grocery (except Convenience) Stores	Food
722511	Full-Service Restaurants	Food
442299	All Other Home Furnishings Stores	Household furnishings and equipment
448140	Family Clothing Stores	Apparel and services
441110	New Car Dealers	Transportation
447110	Gasoline Stations with Convenience Stores	Transportation
811111	General Automotive Repair	Transportation
524114	Direct Health and Medical Insurance Carriers	Health care
622110	General Medical and Surgical Hospitals (Private)	Health care
512131	Motion Picture Theaters	Entertainment
452319	All Other General Merchandise Stores	Entertainment, Personal care products and services, Miscellaneous
	All Other General Merchandise Stores	Personal care products and services
	All Other General Merchandise Stores	Miscellaneous
611310	Colleges, Universities, and Professional Schools	Education

Using \$2,291,037 as the new sales input, Camoin Associates employed EMSI to determine the indirect and total impact of the Project. The following table outlines the findings of this analysis.

Annual Economic Impact - Household Spending			
	Direct	Indirect	Total
Jobs	21	9	30
Earnings	\$ 790,127	\$ 576,046	\$ 1,366,172
Sales	\$ 2,291,039	\$ 1,623,439	\$ 3,914,478

Source: EMSI, Camoin Associates

Spending from tenant households will result in a total of 30 net new jobs, nearly \$1.4 million in earnings, and nearly \$4 million in sales in Nassau County, annually.

Impacts of On-Site Employment

The Applicant projects that 4 full-time workers will be employed on-site within three years of Project completion. Sixty of the 150 housing units, or 40%, are considered net new to the County; therefore, 40% of the 4 on-site jobs projected by the Applicant would be net new. We estimate this to be approximately 2 net new jobs. The table below details the impact the 2 new jobs will have on Nassau County in terms of direct, indirect, and total impacts on employment and wages.

Annual Economic Impact - Occupation Phase			
	Direct	Indirect	Total
Jobs	2	2	4
Earnings	\$ 86,704	\$ 118,627	\$ 205,331
Sales	\$ 410,080	\$ 339,963	\$ 750,043

Source: EMSI, Camoin Associates

As shown in the table above, we anticipate that 2 new jobs and \$86,704 in new earnings would occur at the Site itself. Taking into account the additional indirect and induced economic impacts on Nassau County from the 2 direct jobs, total employment created by the Project's occupation phase is estimated at 4 jobs and over \$205,000 in annual earnings. Over \$750,000 in total sales would be generated each year as a result of the Project's occupation phase.

The total economic impact of both new household spending as well as operation and maintenance of the new multifamily residential facility is displayed in the table below.

Annual Economic Impact - Household Spending			
	Direct	Indirect	Total
Jobs	21	9	30
Earnings	\$ 790,127	\$ 576,046	\$ 1,366,172
Sales	\$ 2,291,039	\$ 1,623,439	\$ 3,914,478
Annual Economic Impact - Occupation Phase			
	Direct	Indirect	Total
Jobs	2	2	4
Earnings	\$ 86,704	\$ 118,627	\$ 205,331
Sales	\$ 410,080	\$ 339,963	\$ 750,043
Annual Economic Impact - Combined Annual Impact			
	Direct	Indirect	Total
Jobs	23	11	34
Earnings	\$ 876,830	\$ 694,673	\$ 1,571,503
Sales	\$ 2,701,119	\$ 1,963,402	\$ 4,664,521

Source: EMSI, Camoin Associates

The total annual economic impact would support 34 new jobs with nearly \$1.6 million in new earnings, and nearly \$4.7 million in new sales.

Fiscal Impact Analysis

In addition to the economic impact of the Project on the local economy (outlined above), there would also be a fiscal impact in terms of annual property tax and sales tax generation. The following section of the analysis outlines the impact of the completion of the Project on the local taxing jurisdictions in terms of the cost and/or benefit to municipal budgets.

Payment in Lieu of Taxes (PILOT)

The Applicant has applied to the Agency for a Payment In Lieu of Taxes (PILOT) agreement. The Applicant has proposed a 21-year payment schedule based on the current tax rate, taxable value, and assessed value of the Project, as shown in the following table:

Tax Payments with PILOT		
Year	PILOT Payments	
1	\$	128,342
2	\$	130,908
3	\$	133,526
4	\$	136,197
5	\$	240,445
6	\$	348,808
7	\$	461,410
8	\$	578,376
9	\$	699,836
10	\$	825,924
11	\$	956,775
12	\$	1,092,529
13	\$	1,233,331
14	\$	1,379,328
15	\$	1,530,672
16	\$	1,687,518
17	\$	1,850,025
18	\$	2,018,357
19	\$	2,192,683
20	\$	2,373,175
21	\$	2,560,009
Total	\$	22,558,174
Average	\$	1,074,199

Source: Nassau County IDA, Camoin Associates

Tax Policy Comparison

Without financial assistance from the Agency, Camoin Associates assumes that the Applicant would not undertake the Project. Based on the current taxes applicable on the Site and an assumed annual increase to the tax rate of 2.00%¹³ (holding taxable value constant), the following table outlines the estimated tax payments made by the building owner without the Project.

Tax Payment Without Project	
Year	Property Tax Payment Without Project*
1	\$ 128,342
2	\$ 130,909
3	\$ 133,527
4	\$ 136,198
5	\$ 138,922
6	\$ 141,700
7	\$ 144,534
8	\$ 147,425
9	\$ 150,373
10	\$ 153,381
11	\$ 156,448
12	\$ 159,577
13	\$ 162,769
14	\$ 166,024
15	\$ 169,345
16	\$ 172,731
17	\$ 176,186
18	\$ 179,710
19	\$ 183,304
20	\$ 186,970
21	\$ 190,709
Total	\$ 3,309,084
Average	\$ 157,575

*Assumes 2.00% annual increase.

Source: Nassau County IDA, Camoin Associates

¹³ The tax rate is increased by 2.00% annually, the maximum inflation factor that can be reasonably anticipated into the future. New York State property tax cap legislation limits tax levy growth to an inflation factor set by the State or 2.00%, whichever is less, the amount by which a government entity may increase its annual tax levy (certain exceptions apply). Although in recent years the inflation factor has been less than 2.00%, using 2.00% for the purposes of comparing future otherwise applicable property tax payments without the Project to the proposed PILOT schedule provides a conservative estimate of the Project's benefit/cost to the County.

The table below calculates the benefit (or cost) to the affected taxing jurisdictions as the difference between the PILOT payments associated with the Project and the property tax payments without the Project. Over the course of the proposed PILOT term, the average annual collection by local jurisdictions would be approximately \$916,623 more in PILOT revenue than property taxes without the Project. The total benefit to the affected taxing jurisdictions of the PILOT agreement over 21 years would be \$19,249,090.

Tax Policy Comparison			
	A	B	C
Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) To County of Project (Col. B - Col. A)
1	\$ 128,342	\$ 128,342	\$ -
2	\$ 130,909	\$ 130,908	\$ (1)
3	\$ 133,527	\$ 133,526	\$ (1)
4	\$ 136,198	\$ 136,197	\$ (1)
5	\$ 138,922	\$ 240,445	\$ 101,523
6	\$ 141,700	\$ 348,808	\$ 207,108
7	\$ 144,534	\$ 461,410	\$ 316,876
8	\$ 147,425	\$ 578,376	\$ 430,951
9	\$ 150,373	\$ 699,836	\$ 549,463
10	\$ 153,381	\$ 825,924	\$ 672,543
11	\$ 156,448	\$ 956,775	\$ 800,327
12	\$ 159,577	\$ 1,092,529	\$ 932,952
13	\$ 162,769	\$ 1,233,331	\$ 1,070,562
14	\$ 166,024	\$ 1,379,328	\$ 1,213,304
15	\$ 169,345	\$ 1,530,672	\$ 1,361,327
16	\$ 172,731	\$ 1,687,518	\$ 1,514,787
17	\$ 176,186	\$ 1,850,025	\$ 1,673,839
18	\$ 179,710	\$ 2,018,357	\$ 1,838,647
19	\$ 183,304	\$ 2,192,683	\$ 2,009,379
20	\$ 186,970	\$ 2,373,175	\$ 2,186,205
21	\$ 190,709	\$ 2,560,009	\$ 2,369,300
Total	\$ 3,309,084	\$ 22,558,174	\$ 19,249,090
Average	\$ 157,575	\$ 1,074,199	\$ 916,623

Source: Nassau County IDA, Camoin Associates

Other Exemptions

The PILOT program would offer the Applicant savings in terms of property tax benefits, but there are other benefits to working with the Agency including a sales tax exemption on construction materials and furniture, fixtures, and equipment and a mortgage recording tax exemption.

Summary of Costs to County	
Sales Tax Exemption	\$ 2,652,259
Mortgage Tax Exemption	\$ 476,982
Loss (Gain) of Property Tax Revenue	\$ (20,255,047)

Source: Applicant IDA Application, Nassau County IDA, Camoin Associates

The additional incentives offered by the County will benefit the Applicant but will not negatively affect the County because, without the Project, the County by definition would not be receiving any associated sales tax or mortgage tax revenue.

Sales Tax Revenue - Construction Phase

The one-time construction phase earnings described by the total economic impact of the construction work (described in above section) would lead to additional sales tax revenue for the County. It is assumed that 70%¹⁴ of the construction phase earnings would be spent within Nassau County and that 25% of those purchases would be taxable.

One-Time County Sales Tax Revenue Construction Phase	
Total New Earnings	\$21,378,157
Amount Spent in County (70%)	\$14,964,710
Amount Taxable (25%)	\$ 3,741,177
County Sales Tax Rate	4.25%
New County Tax Revenue	\$ 159,000

Source: Nassau County, Camoin Associates

As a result of the construction phase employment, the County would receive approximately \$159,000 in new sales tax revenue from the economic impacts of construction.

Sales Tax Revenue – New Household Spending

In addition to sales tax generated by the construction phase, the County would also receive sales tax revenue from the purchases made by the new households. Based on in-County spending by new households, Nassau County would receive \$17,419 annually in net new sales tax revenue.

¹⁴ A retail leakage analysis of Nassau County suggests that a vast majority of the goods and services that employees will be purchasing are available within the county (food, clothing, vehicles, computers, etc.), but there still will be some outside spending on travel and through purchases made online and in neighboring counties. Based on third party proprietary retail spending data, 70% is a reasonable assumption for the amount of in-county spending.
(Source: ESRI Business Analysis Online Retail Market Profile)

Annual County Sales Tax Revenue Household Spending	
Total New Earnings	\$1,366,172
Amount Taxable (30%)	\$ 409,852
County Sales Tax Rate	4.25%
New County Tax Revenue	\$ 17,419

Source: Nassau County, Camoin Associates

Note that the household spending figure has already been adjusted to account for 70% of total spending occurring within the County (see page 7, table entitled "Tenant Spending Baskets"). Also note that we have used a higher value for "Amount Taxable" as compared to the previous tables (30% rather than 25%) since certain non-taxable items (related to housing expenses) have been removed from the total spending line, thus increasing the remaining portion taxable.

Sales Tax Revenue – Employee Earnings

The new earnings generated by onsite jobs that will occur as a result of building occupation at the Project (described under Impacts of On-Site Employment) would lead to additional annual sales tax revenue for the County. It is assumed that 70% of the earnings would be spent within Nassau County and that 25% of those purchases will be taxable.

Annual County Sales Tax Revenue Occupation Phase	
Total New Earnings	\$ 205,331
Amount Spent in County (70%)	\$ 143,732
Amount Taxable (25%)	\$ 35,933
County Sales Tax Rate	4.25%
New County Tax Revenue	\$ 1,527

Source: Nassau County, Camoin Associates

Under these assumptions, the County would receive approximately \$1,527 each year in new tax revenue from the economic impacts of the Project's occupation phase.

Total Annual Sales Tax Revenue

In total, we estimate that the County would receive \$18,946 in annual sales tax related to the Project.

Total Annual County Sales Tax Revenue	
Household Spending	\$ 17,419
Onsite Employee Earnings	\$ 1,527
New County Tax Revenue	\$ 18,946

Source: Nassau County, Camoin Associates

Attachment A: What is Economic Impact Analysis?

The purpose of conducting an economic impact study is to ascertain the total cumulative changes in employment, earnings and output in a given economy due to some initial “change in final demand”. To understand the meaning of “change in final demand”, consider the installation of a new widget manufacturer in Anytown, USA. The widget manufacturer sells \$1 million worth of its widgets per year exclusively to consumers in Canada. Therefore, the annual change in final demand in the United States is \$1 million because dollars are flowing in from outside the United States and are therefore “new” dollars in the economy.

This change in final demand translates into the first round of buying and selling that occurs in an economy. For example, the widget manufacturer must buy its inputs of production (electricity, steel, etc.), must lease or purchase property and pay its workers. This first round is commonly referred to as the “Direct Effects” of the change in final demand and is the basis of additional rounds of buying and selling described below.

To continue this example, the widget manufacturer’s vendors (the supplier of electricity and the supplier of steel) will enjoy additional output (i.e. sales) that will sustain their businesses and cause them to make additional purchases in the economy. The steel producer will need more pig iron and the electric company will purchase additional power from generation entities. In this second round, some of those additional purchases will be made in the US economy and some will “leak out”. What remains will cause a third round (with leakage) and a fourth (and so on) in ever-diminishing rounds of industry-to-industry purchases. Finally, the widget manufacturer has employees who will naturally spend their wages. Again, those wages spent will either be for local goods and services or will “leak” out of the economy. The purchases of local goods and services will then stimulate other local economic activity. Together, these effects are referred to as the “Indirect Effects” of the change in final demand.

Therefore, the total economic impact resulting from the new widget manufacturer is the initial \$1 million of new money (i.e. Direct Effects) flowing in the US economy, plus the Indirect Effects. The ratio of Total Effects to Direct Effects is called the “multiplier effect” and is often reported as a dollar-of-impact per dollar-of-change. Therefore, a multiplier of 2.4 means that for every dollar (\$1) of change in final demand, an additional \$1.40 of indirect economic activity occurs for a total of \$2.40.

Key information for the reader to retain is that this type of analysis requires rigorous and careful consideration of the geography selected (i.e. how the “local economy” is defined) and the implications of the geography on the computation of the change in final demand. If this analysis wanted to consider the impact of the widget manufacturer on the entire North American continent, it would have to conclude that the change in final demand is zero and therefore the economic impact is zero. This is because the \$1 million of widgets being purchased by Canadians is not causing total North American demand to increase by \$1 million. Presumably, those Canadian purchasers will have \$1 million less to spend on other items and the effects of additional widget production will be cancelled out by a commensurate reduction in the purchases of other goods and services.

Changes in final demand, and therefore Direct Effects, can occur in a number of circumstances. The above example is easiest to understand: the effect of a manufacturer producing locally but selling globally. If, however, 100% of domestic demand for a good is being met by foreign suppliers (say, DVD players being imported into the US from Korea and Japan), locating a manufacturer of DVD players in the US will cause a change in final demand because all of those dollars currently leaving the US economy will instead remain. A situation can be envisioned whereby a producer is serving both local and foreign demand, and an impact analysis would have to be careful in calculating how many “new” dollars the producer would be causing to occur domestically.

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PAYMENT IN LIEU OF TAXES AGREEMENT

THIS PAYMENT IN LIEU OF TAXES AGREEMENT (this “Agreement”), made as of May 1, 2021, by and among **555 STEWART GARDEN CITY, LLC**, a limited liability company organized and existing under the laws of the State of Delaware and authorized to do business in the State of New York, having an office at 1550 W. McEwen Drive, Suite 200, Franklin, TN 37067 (the “Obligor”) and the **NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, having an office at One West Street, Mineola, NY 11501 (the “Agency”). Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Lease Agreement (as hereinafter defined).

W I T N E S S E T H

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

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

WHEREAS, the Obligor on behalf of itself and entities formed or to be formed on its behalf (together with the Obligor, the “Applicant”), has 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 4.45 acre parcel of land located at 555 Stewart Avenue, Village of Garden City, Town of Hempstead, Nassau County, New York (Section: 44; Block: 076; Lot: 15) (the “Land”), (2) the construction of an approximately 207,800 square foot four-story residential facility (collectively, the “Building”) on the Land, together with related improvements to the Land 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 multi-family residential rental facility with approximately 150-units, at least ten percent (10%) of which units shall be affordable units; (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/or 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 Obligor, which is the fee owner of the Project Facility, proposed that the Obligor be the sublessee of the Project Facility and the Agency has approved such proposal; and

WHEREAS, the Agency is or will be the holder of a leasehold interest in the Project Facility pursuant to a certain Company Lease Agreement of even date herewith (as amended, modified, supplemented or restated from time to time, the “Company Lease”), between the Obligor and the Agency; and

WHEREAS, the Agency proposes to undertake the Project as an authorized project under the Act and to sublease its interest in the Project Facility to the Obligor pursuant to a sublease Agreement of even date herewith between the Agency and the Obligor (as amended, modified, supplemented or restated from time to time, the “Lease Agreement”); and

WHEREAS, the payment and performance of the Obligor’s obligations under this Agreement shall be secured by a Mortgage and Assignment of Leases and Rents of even date herewith (as amended, modified, supplemented or restated from time to time, the “PILOT Mortgage”) from the Obligor and the Agency, as mortgagor, to the County of Nassau (the “PILOT Mortgagee”), its successors and assigns, as mortgagee, pursuant to which the Agency and the Obligor grant a first mortgage lien on the Project Facility to the PILOT Mortgagee; and

WHEREAS, under the present provisions of the Act and under the present Section 412-a of the Real Property Tax Law of the State of New York (the “RPTL”), the Agency is required to pay no taxes or assessments upon any of the property acquired by it or under its jurisdiction or supervision or under its control;

NOW, THEREFORE, in consideration of the premises and the payments, agreements, and covenants hereinafter contained, the Obligor and the Agency covenant and mutually agree as follows:

Section 1. Tax-Exempt Status of Facility.

A. Application

(1) The Obligor shall complete, and the Agency shall file, an application for tax exemption pursuant to Section 412-a of the RPTL (the “Application”). The Application shall be filed with the assessor for each of the various taxing entities having jurisdiction over the Project Facility, including, without limitation, the County of Nassau (the “County”) and each city, town, village and school district within which the Project Facility is located (such taxing entities, and any successors thereto, being hereinafter collectively referred to as the “Taxing Entities” and each individually as a “Taxing Entity”). The Project Facility shall not be entitled to exempt status on the tax rolls of any Taxing Entity until the beginning of the

first fiscal tax year of such Taxing Entity following the first taxable status date of such Taxing Entity occurring subsequent to the last to occur of (i) the Agency becoming the holder of a leasehold interest in the Project Facility, (ii) the filing by the Agency of the appropriate Application for tax exemption, and (iii) the acceptance of such Application by the appropriate tax assessor(s) (such date, the “PILOT Commencement Date”).

(2) The Obligor hereby waives any claim or cause of action against the Agency, and releases the Agency from any liability to the Obligor, arising from any denial of an exemption from real property taxes and assessments, except to the extent that such denial results solely from the willful failure of the Agency, after demand by the Obligor, to file the completed Application for tax exemption as set forth in this Agreement.

B. Special Assessments. The parties hereto understand that the tax exemption extended to the Agency by Section 874 of the General Municipal Law of the State of New York and Section 412-a of the RPTL may not entitle the Agency to exemption from special assessments and special ad valorem levies. Pursuant to the Lease Agreement and the other Transaction Documents, the Obligor will be required to pay all special assessments and special ad valorem levies levied and/or assessed against or with respect to the Project Facility, subject to Section 2(B)(3) hereof.

C. Other Charges. If any taxes, assessments, service charges or other governmental charges become payable by the Obligor or the Agency on the Project Facility or the rental paid pursuant to the Lease Agreement or the occupancy of or any interest of the Obligor or the Agency in the Project Facility or any part thereof or any personal property used in connection with the business conducted and located therein, the amount of any such taxes, assessments or charges shall be paid by the Obligor as and when due. Furthermore, water charges, sewer rentals, sewage treatment charges, solid waste charges and any other charges in the nature of utility charges shall be paid as and when due directly by the Obligor and shall not be credited against nor be affected in any manner by any payment in lieu of real property taxes and assessments in any year and shall be computed pursuant to the formula adopted by the relevant Taxing Entity.

Section 2. Payments

A. Tax Payments. Prior to the PILOT Commencement Date, the applicable real property taxes and assessments levied and/or assessed against or with respect to the Project Facility shall be payable in full by the Obligor to the applicable Taxing Entity as if the Agency were not the holder of a leasehold interest in the Project Facility or otherwise involved in the Project.

B. PILOT Payments

(1) From the PILOT Commencement Date through and including the last day of the twenty-first (21st) fiscal tax year thereafter (such date, the “Abatement Expiration Date” and such period, the “Term”), the Obligor shall make payments in lieu of real property taxes and assessments levied and/or assessed by the Taxing Entities against the Project Facility as set forth on Schedule B hereto, subject to the provisions of Section 2(B)(3) hereof.

The payments in lieu of real property taxes and assessments levied and/or assessed by the Taxing Entities against the Project Facility pursuant to clause (1) above are referred to herein as the “PILOT Payments.”

(2) From and after the Abatement Expiration Date, and until the Agency’s interest in the Project Facility is conveyed to the Obligor pursuant to the terms of the Lease Agreement and the Project Facility has been returned to the tax rolls as fully taxable property, the Obligor shall make PILOT Payments equal to one hundred percent (100%) of the amount of real property taxes and assessments that would have been levied and/or assessed against or with respect to the Project Facility as if the Project Facility were owned by the Obligor and the Agency were not otherwise involved in the Project.

“PILOT Obligations” shall mean all amounts required to be paid by the Obligor under this Agreement, including, without limitation, those amounts set forth in Sections 2(A) and 2(B) hereof.

(3) Any provision of this Agreement to the contrary notwithstanding, the amount of PILOT Payments set forth in Section 2(B)(1) hereof for each fiscal tax year from the PILOT Commencement Date through the Abatement Expiration Date, shall be reduced (but not below \$0) by the amount, if any, of special assessments and special ad valorem levies assessed against or levied upon the Project Facility for such fiscal tax year (collectively, “Special Assessments”), whether by the Nassau County Tax Assessor’s Office or otherwise, which Special Assessments would otherwise be payable by the Obligor pursuant to this Agreement. The amount of any such reduction of a PILOT Payment shall be set forth on the applicable PILOT bill issued with respect to such fiscal tax year, if any, but the failure of the Obligor to receive such bill shall in no event affect the Obligor’s obligation to pay such PILOT Payment. In the event that (i) the amount of Special Assessments for a particular fiscal tax year exceeds the amount of the PILOT Payment for such fiscal tax year (such excess is hereinafter referred to as an “SA Credit”), or (ii) the amount of PILOT Payments for a particular fiscal tax year are not reduced by the amount of Special Assessments for such fiscal tax year (the amount of such Special Assessments is hereinafter referred to as an “SA Reduction”), then the amount of such SA Credit or SA Reduction, as the case may be, shall be carried over as a credit for the following fiscal tax year(s); provided, however, that if there is an unused SA Credit at the end of the Term of this Agreement, then the Obligor shall not be entitled to (a) take such SA Credit against any further payments hereunder or against real property taxes assessed against the Project Facility, or (b) an extension of the Term of this Agreement.

C. Payments

(1) Amounts due and payable under this Agreement shall be payable to the Treasurer of the County of Nassau (the “Treasurer”), One West Street, 1st floor, Mineola, NY 11501, or at such other address as the Treasurer may notify the Obligor of in writing.

(2) All PILOT Payments hereunder shall be allocated among the affected tax jurisdictions in proportion to the amount of real property and other taxes and assessments that would have been received by each Taxing Entity had the Project not been tax exempt due to the status of the Agency. This provision constitutes the formula for the

calculation of the amounts of the PILOT Payments for each Taxing Entity as required by Section 859-a(6) of the General Municipal Law.

D. Due Dates; Interest; and Penalties

(1) The Obligor may be billed for PILOT Payments as if the Project Facility were on the tax rolls at the time when taxes for each Taxing Entity are due.

(2) If any payment required under this Agreement is not made on or before the due date thereof, such payment shall be delinquent and the unpaid amount(s) shall accrue interest (and penalties) at the rates applicable to late payments of taxes for the respective Taxing Entities and as further provided in the General Municipal Law, including Section 874(5) thereof, which currently provides for a late charge equal to the greater of (a) five (5%) percent of the unpaid amount for the first month, and for each month, or part thereof, that the payment is delinquent beyond the first month, an additional late charge equal to one (1%) percent per month of the total amount payable; and (b) the late charge applicable from time to time to real property tax levies and assessments that are not paid when due. The Obligor agrees to pay all such late charges, interest and penalties when due.

(3) Anything contained in this subparagraph to the contrary notwithstanding, the Obligor shall have the obligation to make all payments of PILOT Obligations (other than payments of penalties, if any), in (a) two equal semi-annual installments on or prior to the date which is five (5) Business Days prior to January 1 and July 1 for the General Tax portion of the PILOT Obligations, and (b) two equal semi-annual installments on or prior to the date which is five (5) Business Days prior to October 1 and April 1 for the School Tax portion of the PILOT Obligations, as applicable, of each year of the term of the Lease Agreement or on such other due dates as may be established by the Agency or the Treasurer from time to time during the term of the Lease Agreement.

E. Partial Sale; Transferee's Obligation; Apportionment of Reduction to Local Taxing Entities. During the Term of this Agreement, in the event that the Agency's interest in the Project Facility, or any portion thereof or interest therein, is sold, transferred, assigned or otherwise disposed of by the Agency in accordance with the Lease Agreement, the transferees thereof will thereafter pay the real property taxes and assessments on such Land and the Building and any Additional Facilities (as hereinafter defined) located on the Land, or on such portion of the Land, that was sold, transferred, assigned or otherwise disposed of, as may be required by applicable law.

F. Sale; Obligor's Obligation. In the event that the Agency sells, transfers, assigns or otherwise disposes of its interest in the Project Facility to any party other than the Obligor, the Obligor's obligation for PILOT Obligations shall be prorated to the date of the closing of the transaction and thereupon all obligations of the Obligor for payment of PILOT Obligations shall cease, but the Agency shall take such steps with the transferee or assignee other than the Obligor to assure that each of the Taxing Entities shall suffer no loss of revenue until the Project Facility can be placed back on the tax rolls as fully taxable real property and taxes levied and billed therefor.

Section 3. Effective Date: Duration of Agreement. This Agreement shall become effective upon the execution and delivery of the Lease Agreement by the Obligor and the Agency and this Agreement by the Obligor and the Agency and the execution and delivery of the Company Lease from the Obligor to the Agency and shall continue in effect until the earlier of (i) the termination of this Agreement pursuant to the terms of the Lease Agreement or of this Agreement, or (ii) the date on which the Company Lease and the Lease Agreement are terminated pursuant to the Lease Agreement or this Agreement and the Project Facility has been placed back on the tax rolls as taxable property.

Section 4. Events of Default.

The following shall constitute an "Event of Default" under this Agreement:

A. Failure by the Obligor to make any payment specified herein and the continuance of such failure for a period of fifteen (15) days after receipt by the Obligor of written notice from the Agency, the County and/or any Taxing Entity.

B. Failure by the Obligor to comply with or perform any provision of this Agreement other than the payment provisions hereof and the continuance of such failure for a period of thirty (30) days after receipt by the Obligor of written notice thereof from the Agency or, if such default is capable of being cured but cannot be cured within such thirty (30) day period, the failure of the Obligor to commence to cure such default within such thirty (30) day period or to prosecute such cure to completion, provided in no event shall such additional cure period exceed sixty (60) days.

C. The occurrence of an Event of Default under the Uniform Project Agreement, Company Lease, the Lease Agreement or any other agreement between the Agency and the Obligor.

If the Obligor fails to make any payments pursuant to this Agreement when due, the amount or amounts so in default shall continue as an obligation of the Obligor until fully paid.

Upon the occurrence and during the continuance of an Event of Default hereunder, the Obligor shall be required to make PILOT Payments as if the Project Facility were owned by the Obligor and the Agency was not otherwise involved in the Project, such amounts to commence to be paid for the period subsequent to the date it is determined by the Agency that there is an Event of Default hereunder. In such event, the tax rate, interest and penalties shall be those then in effect in the Taxing Entities in which the Project Facility is located.

Upon the occurrence and continuance of an Event of Default hereunder, (i) the Agency shall be entitled to sue to enforce any provision of this Agreement and to recover the payments of PILOT Obligations in default from the Obligor, together with all the costs and expenses of the Agency, its successors or assigns, paid or incurred in such recovery (including court costs and attorneys' fees and expenses) and interest at the rate charged by the respective Taxing Entities on overdue payments of taxes, and (ii) the Agency shall have the right to terminate the Company Lease and the Lease Agreement at any time, and the Obligor shall accept

such termination and any tender of reconveyance from the Agency of its interest in the Project Facility.

The Agency, in enforcing payment by the Obligor of the PILOT Obligations, may take whatever action and exercise any or all of the rights and remedies specified in this Agreement or any other remedy provided by law.

Each and every Event of Default shall give rise to a separate cause of action hereunder, and separate suits may be brought hereunder as each cause of action arises.

No delay or omission in exercising any right or power accruing upon the occurrence of any Event of Default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. Further, no payment by the Agency or receipt by the Agency or a Taxing Entity of a lesser amount than 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 and/or any Taxing Entity may accept any check or payment as made without prejudice to the right to recover the balance or pursue any other remedy in this Agreement or otherwise provided at law or in equity.

In no event shall the Agency be liable to any of the Taxing Entities for the payments specified herein, whether or not the Obligor makes such payments. The Obligor hereby agrees to indemnify, defend (with counsel selected by the Agency) and hold harmless the Agency and its officers, members, agents (other than the Obligor), attorneys, servants and employees, past, present and future, against any such liability for such payments and against all penalties, interest, and other charges resulting from the delinquency of such payments.

The Agency and the Obligor hereby acknowledge the right of the County, as beneficiary of this Agreement (on behalf of itself and all other Taxing Entities), to pursue any appropriate remedies, including an action or proceeding in the courts, to recover directly from the Obligor any payments of PILOT Obligations in default hereunder and/or to exercise its rights and remedies under the PILOT Mortgage. The Obligor shall promptly notify the Agency of any action or proceeding brought, or other measure taken, by a Taxing Entity to recover such payments in default hereunder. It is understood that the right of any Taxing Entity herein acknowledged is in addition to, and shall not impair, the Agency's own rights arising from a breach of this Agreement.

In the event that any interest in and to the Project Facility is conveyed by the Obligor or title to the Project Facility is conveyed by the Obligor to any other party prior to expiration of the term of the Lease Agreement (other than transfers expressly permitted under the Lease Agreement or otherwise consented to by the Agency), this Agreement shall, at the option of the Agency, become null and void and any remaining tax abatement hereunder shall be canceled.

The rights, powers and remedies of the Agency and the County under this Agreement shall be cumulative and not exclusive of any other right, power or remedy which the

Agency or the County may have against the Obligor pursuant to this Agreement or the other Transaction Documents, or existing at law or in equity or otherwise. The respective rights, powers and remedies of the Agency and the County hereunder may be pursued singly, concurrently or otherwise, at such time and in such order as the Agency or the County may determine in its sole discretion. No delay or omission to exercise any remedy, right or power accruing upon an Event of Default shall impair any such remedy, right or power or shall be construed as a waiver thereof, but any such remedy, right or power may be exercised from time to time and as often as may be deemed expedient. A waiver of one Event of Default with respect to the Obligor shall not be construed to be a waiver of any subsequent Event of Default by the Obligor or to impair any remedy, right or power consequent thereon.

Section 5. Additional Facilities.

If any structural additions or change in use shall be made to the buildings or other improvements included in the Project Facility subsequent to the date hereof (other than the initial construction of the Building contemplated by the Project), or if any additional buildings or improvements shall be constructed on the Land other than the Building (such change of use, new structures, structural additions, buildings and improvements being referred to hereinafter as "Additional Facilities"), the Obligor agrees that its PILOT Obligations hereunder shall be increased by an amount, as determined by the Agency or a tax assessor selected by the Agency, equal to the increased tax payments, if any, that would have been payable on such increase if this Agreement were not in effect. Nothing herein shall constitute the Agency's consent to the construction of any such additions or additional buildings or improvements or to such change of use.

Section 6. Change of Law.

In the event the Project Facility, or any part thereof, is declared to be subject to taxation for real property taxes or assessments by an amendment to the Act, other legislative change or a final judgment of a court of competent jurisdiction, the obligations of the Obligor hereunder shall, to such extent, be null and void. If the Obligor has already paid any amounts under this Agreement for any period that the Obligor is required to pay taxes or assessments because of such amendment, legislative or final judgment (collectively, "Prior Payments"), then the Obligor shall look to the Taxing Authorities for repayment of the Prior Payments or a credit in the amount of the Prior Payments against taxes payable to the relevant Taxing Entity but in no event shall the Obligor look to the Agency for a refund of the Prior Payments.

Section 7. Waiver of Tax Exemption.

The Obligor, in recognition of the benefits provided under this Agreement, and for so long as the Lease Agreement is in effect, hereby expressly waives any rights it may have for any exemption under Section 485-b of the RPTL or any other exemption under any other law or regulation (except, however, for the exemption provided under Article 18-A of the General Municipal Law) with respect to the Project Facility.

The Obligor, in recognition of the benefits provided under this Agreement and the Lease Agreement, hereby expressly waives the right to institute judicial or other review of an

assessment of the real property with respect to the Project Facility, whether pursuant to the provisions of Article 7 of the RPTL or other applicable law, as the same may be amended from time to time, with respect to any fiscal tax year from and after the PILOT Commencement Date. Notwithstanding the foregoing, during the final three (3) years of the term of this Agreement, the Obligor shall have the right to institute judicial or other review of the assessed value of the real property with respect to the Project Facility, whether pursuant to the provisions of Article 7 of the RPTL or other applicable law, as the same may be amended from time to time; provided, however, that no such judicial or other review or settlement thereof shall have any effect on the Obligor's obligations under this Agreement, including, without limitation, the Obligor's obligation to make the PILOT Payments when due. Such judicial or other review shall only be for purposes of setting the assessed value of the Project Facility as though the Project Facility was on the tax rolls of each Taxing Entity as taxable real property but shall have no effect on this Agreement or the tax-exempt status of the Project Facility during the term of this Agreement.

In addition, the Obligor hereby represents and warrants that it has stipulated to the discontinuance (with prejudice) of all pending tax certiorari proceedings, if any, with respect to the Project Facility on or before the date hereof.

Section 8. Delivery of PILOT Statement.

The Obligor shall deliver to the Comptroller of the County of Nassau, on or before the dates set forth for payment of the PILOT Obligations in Section 2 hereof, in each year during the term of the Lease Agreement, a verified statement setting forth the amount of such payments and the dates of such payments.

Section 9. Limited Obligation.

The obligations, covenants and agreements of the Agency hereunder shall not constitute or give rise to an obligation of the State of New York, the County, or any city, town, village or school district within which the Project Facility is located and neither the State of New York, the County, nor any such city, town, village or school district shall be liable thereon, and further, such obligations, covenants and agreements shall not constitute or give rise to a general obligation of the Agency.

Section 10. No Waiver.

Failure by the Agency in any instance to insist upon the strict performance of any one or more of the obligations of the Obligor under this 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 Obligor'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 and all of the Obligor's obligations hereunder. No waiver, amendment, release or modification of this Agreement shall be established by conduct, custom or course of dealing. Further, no payment by the Obligor or receipt by the Agency of a lesser amount than 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 check or payments as made

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

Section 11. Notices.

A. . All notices, certificates and other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given on the earlier of (1) three (3) Business Days after being sent to the applicable address stated below by registered or certified mail, return receipt requested, or two (2) Business Days after being sent by nationally recognized overnight courier service, or (2) the date on which delivery is refused by the addressee, as evidenced by the affidavit of the Person who attempted to effect such delivery.

B. The addresses to which notices, certificates and other communications hereunder shall be delivered are as follows:

To the Agency:

Nassau County Industrial Development Agency
One West Street
Mineola, NY 11501
Attention: Chief Executive Officer

With a copy to:

Harris Beach PLLC
333 Earle Ovington Blvd, Suite 901
Uniondale, NY 11553
Attn: Andrew Komaromi, Esq.

To the Obligor:

555 STEWART GARDEN CITY, LLC
1550 W. McEwen Drive, Suite 200
Franklin, TN 37067
Attn: Kevin Holst, SVP & General Counsel

With a copy to:

Forchelli Deegan Terrana LLP
333 Earle Ovington Blvd, Suite 1010
Uniondale, NY 11553
Attn: Daniel P. Deegan, Esq.

To the Bank:

The Northwestern Mutual Life Insurance Company
720 East Wisconsin Avenue
Milwaukee, WI 53202-4797
Attn: [_____]

With a copy to:

Phillips Lytle LLP
1205 Franklin Avenue, Suite 390
Garden City, NY 11530
Attn: Milan K. Tyler, Esq.

Section 12. Change of Address.

The Agency or the Obligor may, by notice given hereunder to each other, designate any further or different addresses to which subsequent notices, certificates or other communications to them shall be sent.

Section 13. Assignment of Agreement.

This Agreement shall be binding upon the successors and permitted assigns of the Obligor but no assignment shall be effective to relieve the Obligor of any of its obligations hereunder unless expressly authorized and approved in writing by the Agency. The rights and obligations of the Obligor hereunder may not be assigned except in connection with a permitted assignment of the Obligor's interest in and to the Lease Agreement. Nothing herein is intended to be for, or to inure to, the benefit of any Person other than the parties hereto, the County and the other Taxing Entities.

Section 14. Independent Agreement.

Notwithstanding any other provision of this Agreement, including the recitals hereof, the parties agree that the Lease Agreement executed between the parties thereto shall be a separate and independent document from this Agreement, and irrespective of whether any provision of this Agreement or the entirety hereof shall be held invalid or unenforceable by any court of competent jurisdiction, the Lease Agreement shall be construed, interpreted, and otherwise regarded separate and apart from this Agreement. The parties hereto specifically note that the considerations and terms provided for in this Agreement and provided for in the Lease Agreement are the only considerations and terms for which the parties thereto have executed this Agreement.

Section 15. Invalidity.

If any one or more phrases, sentences, clauses or provisions of this Agreement or the entirety hereof shall be declared invalid or unenforceable by any order, decree or judgment of any court of competent jurisdiction, then such phrase, sentence, clause or provision or the entirety of this Agreement shall be deemed to be reformed in such manner as shall be determined by such court, or in the absence of such a determination then in the reasonable judgment of the Agency, to render such phrase, sentence, clause or provision of this Agreement valid and enforceable under applicable law. The parties hereto agree to enter into such documents, agreements and instruments as the Agency reasonably determines are necessary to effect any such reformation. In the event that any one more of the phrases, sentences, clauses or provisions of this Agreement cannot be reformed to comply with applicable law, then this Agreement shall be construed as if such phrase, sentence, clause or paragraph had not appeared in this Agreement.

Section 16. Amendments.

This Agreement may not be modified, amended, supplemented, or changed without the written consent of the Agency, the Obligor and the Bank (as defined in the Lease Agreement).

Section 17. Prior Agreements.

This Agreement constitutes the entire agreement, and supersedes all prior agreements and understandings, whether written or oral, among the parties with respect to the subject matter hereof.

Section 18. Delivery of Agreement.

The Agency covenants to use reasonable efforts to deliver to each Taxing Entity a copy of this Agreement within fifteen (15) days after its execution.

Section 19. Counterparts.

This Agreement 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.

Section 20. Service of Process; Consent to Jurisdiction; Forum.

A. The Obligor represents that it is subject to service of process in the State of New York and covenants that it will remain so subject so long as the Lease Agreement shall be in effect. If for any reason the Obligor should cease to be so subject to service of process in the State of New York, the Obligor hereby designates and appoints, without power of revocation, Daniel P. Deegan, Esq., Forchelli Deegan Terrana LLP, 333 Earle Ovington Blvd, Suite 1010, Uniondale, NY 11553, as agent for service of process, and if such agent shall cease to act or otherwise cease to be subject to service of process in the State of New York, the Secretary of State of the State of New York, as the agents of the Obligor upon whom may be served all process, pleadings, notices or other papers which may be served upon the Obligor as a result of any of its obligations under this Agreement; provided, however, that the serving of such process, pleadings, notices or other papers shall not constitute a condition to the Obligor's obligations hereunder.

B. The Obligor irrevocably and unconditionally (1) agrees that any suit, action or other legal proceeding arising out of this Agreement or the other Transaction Documents may be brought in the courts of record of the State of New York in Nassau County or the courts of the United States, Eastern District of New York; (2) consents to the jurisdiction of each such court in any such suit, action or proceeding; and (3) waives any objection which it may have to the laying of venue of any such suit, action or proceeding in any of such courts. For such time as the Lease Agreement is in effect, the Obligor's agents designated above shall accept and acknowledge in the Obligor's behalf service of any and all process in any such suit, action or proceeding brought in any such court. The Obligor agrees and consents that any such service of process upon such agents and written notice of such service to the Obligor in the manner set forth in Section 11 hereof shall be taken and held to be valid personal service upon the Obligor whether or not the Obligor shall then be doing, or at any time shall have done, business within

the State of New York and that any such service of process shall be of the same force and validity as if service were made upon the Obligor according to the laws governing the validity and requirements of such service in the State of New York, and waives all claim of error by reason of any such service. Such agents shall not have any power or authority to enter into any appearance or to file any pleadings in connection with any suit, action or other legal proceedings against the Obligor or to conduct the defense of any such suit, action or any other legal proceeding except as expressly authorized by the Obligor.

Section 21. Applicable Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of New York, as the same may be in effect from time to time, without regard to principles of conflicts of laws.

Section 22. Nature of Obligations.

This Agreement shall remain in full force and effect until each and every one of the PILOT Obligations shall have been irrevocably paid in full and all other obligations of the Obligor under this Agreement shall have been paid and performed in full.

If the Obligor consists of more than one (1) Person, the obligations of the Obligor under this Agreement shall be joint and several.

Section 23. Indemnification.

The Obligor agrees to indemnify, defend (with counsel selected by the Agency and reasonably acceptable to the Obligor) and hold harmless the Agency and its officers, members, agents (other than the Obligor), attorneys, servants and employees, past, present and future, against any liability arising from any default by the Obligor in performing its obligations hereunder or any expense incurred hereunder, including, without limitation, any expenses of the Agency and reasonable attorneys' fees and expenses.

[Remainder of this page intentionally left blank]

[Signature Page to PILOT Agreement]

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

**NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Harry Coghlan
Chief Executive Officer / Executive Director

555 STEWART GARDEN CITY, LLC

By: _____
Timothy W. Downey
Chief Manager

[Acknowledgment Page to PILOT Agreement]

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

On the ____ day of May 2021, before me, the undersigned, a notary public in and for said state, personally appeared **Harry Coghlan**, 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 instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

STATE OF _____)
 : ss.:
COUNTY OF _____)

On the ____ day of May 2021, before me, the undersigned, a Notary Public in and for said State, personally appeared **Timothy W. Downey**, 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 instrument, the individual executed the instrument.

Notary Public

SCHEDULE A

DESCRIPTION OF THE LAND

SCHEDULE B

PILOT PAYMENT SCHEDULE

Term:

<u>Tax Year¹</u>	<u>Total PILOT Payment</u>
2023 General / 2022/23 School & Village	\$142,119
2024 General / 2023/24 School & Village	\$144,961
2025 General / 2024/25 School & Village	\$147,860
2026 General / 2025/26 School & Village	\$150,817
2027 General / 2026/27 School & Village	\$279,064
2028 General / 2027/28 School & Village	\$412,379
2029 General / 2028/29 School & Village	\$550,916
2030 General / 2029/30 School & Village	\$694,829
2031 General / 2030/31 School & Village	\$844,279
2032 General / 2031/32 School & Village	\$999,428
2033 General / 2032/33 School & Village	\$1,160,446
2034 General / 2033/34 School & Village	\$1,327,505
2035 General / 2034/35 School & Village	\$1,500,781
2036 General / 2035/36 School & Village	\$1,680,458
2037 General / 2036/37 School & Village	\$1,866,722
2038 General / 2037/38 School & Village	\$2,059,764
2039 General / 2038/39 School & Village	\$2,259,781
2040 General / 2039/40 School & Village	\$2,466,975
2041 General / 2040/41 School & Village	\$2,681,552
2042 General / 2041/42 School & Village	\$2,903,726
2043 General / 2042/43 School & Village	\$3,133,715

¹ Actual PILOT Commencement Date is subject to timely acceptance of the Application by the appropriate tax assessor(s).

EXHIBIT B

**FORM OF NYS FORM ST-60 TO BE COMPLETED BY COMPANY AND FILED WITH
THE NYS TAX DEPARTMENT IDA UNIT FOR EACH OF ITS SUBAGENTS WITHIN
THIRTY (30) DAYS OF APPOINTMENT**

[See Attached Page]



IDA Appointment of Project Operator or Agent For Sales Tax Purposes

ST-60
(1/18)

The industrial development agency or authority (IDA) **must** submit this form within **30 days** of the appointment of a project operator or agent, whether appointed directly by the IDA or indirectly by the operator or another agent.

For IDA use only**IDA information**

Name of IDA Nassau County Industrial Development Agency	IDA project number (use OSC numbering system for projects after 1998) 2803-21-04A
Street address One West Street	Telephone number (516) 571-1945
City Mineola	State NY
ZIP code 11501	Email address (optional) N/A

Project operator or agent information

Name of IDA project operator or agent	Mark an X in the box if directly appointed by the IDA: <input type="checkbox"/>	Employer identification or Social Security number
Street address	Telephone number ()	Primary operator or agent? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
City	State	ZIP code
		Email address (optional) N/A

****NOTE: Issued to reflect appointment of sub-agent.******Project information**

Name of project 555 STEWART GARDEN CITY, LLC, 2021 Project	
Street address of project site 555 Stewart Avenue**	**and any lands located in Nassau County and occupied by license or easement during construction or improved by third parties for the benefit of the Project
City Garden City	State NY
ZIP code 11530	Email address (optional) N/A
Purpose of project The Project consists of: The acquisition of an approximately 4.45 acre parcel of land, the construction of an approximately 207,800 square foot four-story residential facility, together with related improvements to the Land, including surface parking spaces, the acquisition of certain furniture, fixtures, machinery and equipment, all of the foregoing for use as a multi-family residential rental facility.	

Description of goods and services intended to be exempted from New York State and local sales and use taxes Goods and services, inclusive of fuel and utilities, whether the goods and services are purchased or rented, and notwithstanding that they continue to constitute personal property or the item is used after the completion of the Project, or the item is geographically located outside the legal boundaries of the Project Facility; provided there is a reasonable basis to acquire the item to benefit the Project.		
Date project operator or agent appointed (mmddyy)	Date project operator or agent status ends (mmddyy) 123123	Mark an X in the box if this is an extension to an original project: <input type="checkbox"/>
Estimated value of goods and services that will be exempt from New York State and local sales and use tax: 30,750,829.00		Estimated value of New York State and local sales and use tax exemption provided: 2,652,259.00

Certification: I certify that the above statements are true, complete, and correct, and that no material information has been omitted. I make these statements with the knowledge that willfully providing false or fraudulent information with this document may constitute a felony or other crime under New York State Law, punishable by a substantial fine and possible jail sentence. I also understand that the Tax Department is authorized to investigate the validity of any information entered on this document.

Print name of officer or employee signing on behalf of the IDA Harry Coghlan	Print title Chief Executive Officer/Executive Director
Signature	Date
	Telephone number (516) 571-1945

Instructions

When to file

An IDA must file this form within 30 days of the date they appoint any project operator or other person as agent of the IDA, for purposes of extending any sales and use tax exemptions.

Requirements to file

The IDA must file a separate form for each person it appoints as agent, whether directly or indirectly, and regardless of whether the person is the primary project operator or agent. If the IDA authorizes a project operator or agent to appoint other persons as agent of the IDA, the operator or agent making such an appointment must advise the IDA that it has done so, so that the IDA can file a form within 30 days of the date of the new agent's appointment. The IDA should not file this form for a person hired to work on an IDA project if that person is not appointed as agent of the IDA. The IDA should not file this form if they do not extend any sales or use tax exemption benefits for the project.

If an IDA modifies a project, such as by extending it beyond its original completion date, or by increasing or decreasing the amount of sales and use tax exemption benefits authorized for the project, they must, within 30 days of the change, file a new form with the new information.

If the information on this form changes

If an IDA amends, revokes, or cancels the appointment of an agent, or if an agent's appointment becomes invalid for any reason, the IDA, within 30 days, must send a letter to the address below for filing this form, indicating that the appointment has been amended, revoked, or cancelled, or is no longer valid, and the effective date of the change. They must attach to the letter a copy of the form it originally filed. The IDA should not send a letter for a form that is not valid merely because the *Completion date of project* has passed.

Mailing instructions

Mail completed form to:

**NYS TAX DEPARTMENT
IDA UNIT
W A HARRIMAN CAMPUS
ALBANY NY 12227-0866**

Private delivery services – See Publication 55, *Designated Private Delivery Services*.

Privacy notification

New York State Law requires all government agencies that maintain a system of records to provide notification of the legal authority for any request for personal information, the principal purpose(s) for which the information is to be collected, and where it will be maintained. To view this information, visit our website, or, if you do not have Internet access, call and request Publication 54, *Privacy Notification*. See *Need help?* for the Web address and telephone number.

Need help?



Visit our website at **www.tax.ny.gov**

- get information and manage your taxes online
- check for new online services and features

Telephone assistance

Sales Tax Information Center:	518-485-2889
To order forms and publications:	518-457-5431
Text Telephone (TTY) or TDD equipment users	Dial 7-1-1 for the New York Relay Service

EXHIBIT C-1

**NYS FORM ST-123
FOR
COMPANY**

[See Attached Page]

**IDA Agent or Project Operator
Exempt Purchase Certificate****Effective for projects beginning on or after June 1, 2014**

This certificate is not valid unless all entries have been completed.

Note: To be completed by the purchaser and given to the seller. Do not use this form to purchase motor fuel or diesel motor fuel exempt from tax. See Form FT-123, *IDA Agent or Project Operator Exempt Purchase Certificate for Fuel*.

Name of seller	Name of agent or project operator 555 Stewart Garden City, LLC		
Street address	Street address 1550 W. McEwan Drive, Suite 200		
City, town, or village	City, town, or village	State	ZIP code
	Franklin, TN 37067	TN	37067
Agent or project operator sales tax ID number (see instructions) [REDACTED]			

Mark an **X** in one: ☐ Single-purchase certificate ☒ Blanket-purchase certificate (valid only for the project listed below)**To the seller:**

You must identify the project on each bill and invoice for such purchases and indicate on the bill or invoice that the IDA or agent or project operator of the IDA was the purchaser.

Project information

I certify that I am a duly appointed agent or project operator of the named IDA and that I am purchasing the tangible personal property or services for use in the following IDA project and that such purchases qualify as exempt from sales and use taxes under my agreement with the IDA.

Name of IDA Nassau County Industrial Development Agency		
Name of project 555 STEWART GARDEN CITY, LLC, 2021 Project	IDA project number (use OSC number) 2803-21-04A	
Street address of project site 555 Stewart Avenue**		
**and any lands located in Nassau County and occupied by license or easement during construction or improved by third parties for the benefit of the Project		
City, town, or village Garden City	State NY	ZIP code 11530
Enter the date that you were appointed agent or project operator (mm/dd/yy) 05 / 26 / 21	Enter the date that agent or project operator status ends (mm/dd/yy) 12 / 31 / 23	

Exempt purchases(Mark an **X** in boxes that apply)

- ☒ A. Tangible personal property or services (other than utility services and motor vehicles or tangible personal property installed in a qualifying motor vehicle) used to complete the project, but not to operate the completed project
- ☐ B. Certain utility services (gas, propane in containers of 100 pounds or more, electricity, refrigeration, or steam) used to complete the project, but not to operate the completed project
- ☐ C. Motor vehicle or tangible personal property installed in a qualifying motor vehicle

Certification: I certify that the above statements are true, complete, and correct, and that no material information has been omitted. I make these statements and issue this exemption certificate with the knowledge that this document provides evidence that state and local sales or use taxes do not apply to a transaction or transactions for which I tendered this document and that willfully issuing this document with the intent to evade any such tax may constitute a felony or other crime under New York State Law, punishable by a substantial fine and a possible jail sentence. I understand that this document is required to be filed with, and delivered to, the vendor as agent for the Tax Department for the purposes of Tax Law section 1838 and is deemed a document required to be filed with the Tax Department for the purpose of prosecution of offenses. I also understand that the Tax Department is authorized to investigate the validity of tax exclusions or exemptions claimed and the accuracy of any information entered on this document.

Signature of purchaser or purchaser's representative (include title and relationship)	Date
Type or print the name, title, and relationship that appear in the signature box	

Instructions

To the purchaser

You may use Form ST-123 if you:

- have been appointed as an agent or project operator by an industrial development agency (IDA) and
- the purchases qualify for exemption from sales and use tax as described in the IDA contract.

You may use Form ST-123 as a single-purchase certificate or as a blanket certificate covering the first and subsequent purchases qualifying for the project listed.

Agent or project operator sales tax ID number — If you are registered with the Tax Department for sales tax purposes, you must enter your sales tax identification number on this certificate. If you are not required to be registered, enter **N/A**.

Industrial development agencies and authorities (IDAs) are public benefit corporations under General Municipal Law Article 18-A and the Public Authorities Law, for the purpose of promoting, developing, encouraging, and assisting in the acquisition, construction, reconstruction, improvement, maintenance, equipping, and furnishing of industrial, manufacturing, warehousing, commercial, research, and recreational facilities in New York State.

IDAs are exempt from the payment of sales and use tax on their purchases, in accordance with Tax Law section 1116(a)(1). However, IDAs do not normally make direct purchases for projects. Commonly, IDAs instead appoint a business enterprise or developer, contractor, or subcontractor as its agent or project operator. Such purchases made by the agent or project operator, acting within the authority granted by the IDA, are deemed to be made by the IDA and therefore exempt from tax.

Example 1: IDA agreement with its agent or project operator states that contractor X may make all purchases of materials and equipment necessary for completion of the project, as agent for the IDA. Contractor X rents a backhoe and a bulldozer for site preparation, purchases concrete and lumber to construct a building, and purchases machinery to be installed in the building. All these purchases by contractor X as agent of the IDA are exempt from tax.

Example 2: IDA agreement with its agent or project operator states that contractor X may make all purchases of materials and equipment to be incorporated into the project, as agent for the IDA. Contractor X makes the same purchases as in Example 1. Since the concrete, lumber, and machinery will actually be incorporated into the project, contractor X may purchase these items exempt from tax. However, rental of the backhoe and bulldozer is not exempt since these transactions are normally taxable and the IDA agreement does not authorize contractor X to make such rentals as agent of the IDA.

A contractor or subcontractor not appointed as agent or project operator of an IDA must present suppliers with Form ST-120.1, *Contractor Exempt Purchase Certificate*, when making purchases that are ordinarily exempt from tax in accordance with Tax Law sections 1115(a)(15) and 1115(a)(16). For more information, see Form ST-120.1.

Exempt purchases

To qualify, the purchases must be made within the authority granted by the IDA and used to complete the project (not to operate the completed project).

- Mark box A to indicate you are purchasing tangible personal property and services (other than utility services and motor vehicles or tangible personal property installed in a qualifying motor vehicle) exempt from tax.
- Mark box B to indicate you are purchasing certain consumer utility services used in completing the project exempt from tax. This includes gas, electricity, refrigeration, and steam; and gas, electric, refrigeration, and steam services.
- Mark box C to indicate you are purchasing a motor vehicle or tangible personal property related to a qualifying motor vehicle exempt from tax.

Misuse of this certificate

Misuse of this exemption certificate may subject you to serious civil and criminal sanctions in addition to the payment of any tax and interest due. These include:

- A penalty equal to 100% of the tax due;
- A \$50 penalty for each fraudulent exemption certificate issued;
- Criminal felony prosecution, punishable by a substantial fine and a possible jail sentence; and
- Revocation of your *Certificate of Authority*, if you are required to be registered as a vendor. See TSB-M-09(17)S, *Amendments that Encourage Compliance with the Tax Law and Enhance the Tax Department's Enforcement Ability*, for more information.

To the seller

When making purchases as agent or project operator of an IDA, the purchaser must provide you with this exemption certificate with all entries completed to establish the right to the exemption. You **must** identify the project on each bill and invoice for such purchases and indicate on the bill or invoice that the IDA or agent or project operator of the IDA was the purchaser.

As a New York State registered vendor, you may accept an exemption certificate in lieu of collecting tax and be protected from liability for the tax if the certificate is valid. The certificate will be considered valid if it is:

- accepted in good faith;
- in your possession within 90 days of the transaction; and
- properly completed (all required entries were made).

An exemption certificate is accepted in good faith when you have no knowledge that the exemption certificate is false or is fraudulently given, and you exercise reasonable ordinary due care. If you do not receive a properly completed certificate within 90 days after the delivery of the property or service, you will share with the purchaser the burden of proving the sale was exempt.

You must also maintain a method of associating an invoice (or other source document) for an exempt sale with the exemption certificate you have on file from the purchaser. You must keep this certificate at least three years after the due date of your sales tax return to which it relates, or the date the return was filed, if later.

Privacy notification

New York State Law requires all government agencies that maintain a system of records to provide notification of the legal authority for any request, the principal purpose(s) for which the information is to be collected, and where it will be maintained. To view this information, visit our Web site, or, if you do not have Internet access, call and request Publication 54, *Privacy Notification*. See *Need help?* for the Web address and telephone number.

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- check for new online services and features



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(for persons with hearing and speech disabilities using a TTY):

(518) 485-5082

EXHIBIT C-2

**NYS FORM ST-123
FOR
SUBAGENTS OF COMPANY**

[See Attached Page]

**IDA Agent or Project Operator
Exempt Purchase Certificate****Effective for projects beginning on or after June 1, 2014****ST-123**
(7/14)

This certificate is not valid unless all entries have been completed.

Note: To be completed by the purchaser and given to the seller. Do not use this form to purchase motor fuel or diesel motor fuel exempt from tax. See Form FT-123, *IDA Agent or Project Operator Exempt Purchase Certificate for Fuel*.

Name of seller	Name of agent or project operator
Street address	Street address
City, town, or village State ZIP code	City, town, or village State ZIP code
Agent or project operator sales tax ID number (see instructions)	

Mark an **X** in one: ☐ Single-purchase certificate ☒ Blanket-purchase certificate (valid only for the project listed below)**To the seller:**

You must identify the project on each bill and invoice for such purchases and indicate on the bill or invoice that the IDA or agent or project operator of the IDA was the purchaser.

Project information

I certify that I am a duly appointed agent or project operator of the named IDA and that I am purchasing the tangible personal property or services for use in the following IDA project and that such purchases qualify as exempt from sales and use taxes under my agreement with the IDA.

Name of IDA Nassau County Industrial Development Agency		
Name of project 555 STEWART GARDEN CITY, LLC, 2021 Project	IDA project number (use OSC number) 2803-21-04A	
Street address of project site **and any lands located in Nassau County and occupied by license or easement during 555 Stewart Avenue** construction or improved by third parties for the benefit of the Project		
City, town, or village Garden City	State NY	ZIP code 11530
Enter the date that you were appointed agent or project operator (mm/dd/yy)	Enter the date that agent or project operator status ends (mm/dd/yy) 12 / 31 / 23	

Exempt purchases(Mark an **X** in boxes that apply)

- ☒ A. Tangible personal property or services (other than utility services and motor vehicles or tangible personal property installed in a qualifying motor vehicle) used to complete the project, but not to operate the completed project
- ☐ B. Certain utility services (gas, propane in containers of 100 pounds or more, electricity, refrigeration, or steam) used to complete the project, but not to operate the completed project
- ☐ C. Motor vehicle or tangible personal property installed in a qualifying motor vehicle

Certification: I certify that the above statements are true, complete, and correct, and that no material information has been omitted. I make these statements and issue this exemption certificate with the knowledge that this document provides evidence that state and local sales or use taxes do not apply to a transaction or transactions for which I tendered this document and that willfully issuing this document with the intent to evade any such tax may constitute a felony or other crime under New York State Law, punishable by a substantial fine and a possible jail sentence. I understand that this document is required to be filed with, and delivered to, the vendor as agent for the Tax Department for the purposes of Tax Law section 1838 and is deemed a document required to be filed with the Tax Department for the purpose of prosecution of offenses. I also understand that the Tax Department is authorized to investigate the validity of tax exclusions or exemptions claimed and the accuracy of any information entered on this document.

Signature of purchaser or purchaser's representative (include title and relationship)	Date
Type or print the name, title, and relationship that appear in the signature box	

Instructions

To the purchaser

You may use Form ST-123 if you:

- have been appointed as an agent or project operator by an industrial development agency (IDA) and
- the purchases qualify for exemption from sales and use tax as described in the IDA contract.

You may use Form ST-123 as a single-purchase certificate or as a blanket certificate covering the first and subsequent purchases qualifying for the project listed.

Agent or project operator sales tax ID number — If you are registered with the Tax Department for sales tax purposes, you must enter your sales tax identification number on this certificate. If you are not required to be registered, enter **N/A**.

Industrial development agencies and authorities (IDAs) are public benefit corporations under General Municipal Law Article 18-A and the Public Authorities Law, for the purpose of promoting, developing, encouraging, and assisting in the acquisition, construction, reconstruction, improvement, maintenance, equipping, and furnishing of industrial, manufacturing, warehousing, commercial, research, and recreational facilities in New York State.

IDAs are exempt from the payment of sales and use tax on their purchases, in accordance with Tax Law section 1116(a)(1). However, IDAs do not normally make direct purchases for projects. Commonly, IDAs instead appoint a business enterprise or developer, contractor, or subcontractor as its agent or project operator. Such purchases made by the agent or project operator, acting within the authority granted by the IDA, are deemed to be made by the IDA and therefore exempt from tax.

Example 1: IDA agreement with its agent or project operator states that contractor X may make all purchases of materials and equipment necessary for completion of the project, as agent for the IDA. Contractor X rents a backhoe and a bulldozer for site preparation, purchases concrete and lumber to construct a building, and purchases machinery to be installed in the building. All these purchases by contractor X as agent of the IDA are exempt from tax.

Example 2: IDA agreement with its agent or project operator states that contractor X may make all purchases of materials and equipment to be incorporated into the project, as agent for the IDA. Contractor X makes the same purchases as in Example 1. Since the concrete, lumber, and machinery will actually be incorporated into the project, contractor X may purchase these items exempt from tax. However, rental of the backhoe and bulldozer is not exempt since these transactions are normally taxable and the IDA agreement does not authorize contractor X to make such rentals as agent of the IDA.

A contractor or subcontractor not appointed as agent or project operator of an IDA must present suppliers with Form ST-120.1, *Contractor Exempt Purchase Certificate*, when making purchases that are ordinarily exempt from tax in accordance with Tax Law sections 1115(a)(15) and 1115(a)(16). For more information, see Form ST-120.1.

Exempt purchases

To qualify, the purchases must be made within the authority granted by the IDA and used to complete the project (not to operate the completed project).

- Mark box A to indicate you are purchasing tangible personal property and services (other than utility services and motor vehicles or tangible personal property installed in a qualifying motor vehicle) exempt from tax.
- Mark box B to indicate you are purchasing certain consumer utility services used in completing the project exempt from tax. This includes gas, electricity, refrigeration, and steam; and gas, electric, refrigeration, and steam services.
- Mark box C to indicate you are purchasing a motor vehicle or tangible personal property related to a qualifying motor vehicle exempt from tax.

Misuse of this certificate

Misuse of this exemption certificate may subject you to serious civil and criminal sanctions in addition to the payment of any tax and interest due. These include:

- A penalty equal to 100% of the tax due;
- A \$50 penalty for each fraudulent exemption certificate issued;
- Criminal felony prosecution, punishable by a substantial fine and a possible jail sentence; and
- Revocation of your *Certificate of Authority*, if you are required to be registered as a vendor. See TSB-M-09(17)S, *Amendments that Encourage Compliance with the Tax Law and Enhance the Tax Department's Enforcement Ability*, for more information.

To the seller

When making purchases as agent or project operator of an IDA, the purchaser must provide you with this exemption certificate with all entries completed to establish the right to the exemption. You **must** identify the project on each bill and invoice for such purchases and indicate on the bill or invoice that the IDA or agent or project operator of the IDA was the purchaser.

As a New York State registered vendor, you may accept an exemption certificate in lieu of collecting tax and be protected from liability for the tax if the certificate is valid. The certificate will be considered valid if it is:

- accepted in good faith;
- in your possession within 90 days of the transaction; and
- properly completed (all required entries were made).

An exemption certificate is accepted in good faith when you have no knowledge that the exemption certificate is false or is fraudulently given, and you exercise reasonable ordinary due care. If you do not receive a properly completed certificate within 90 days after the delivery of the property or service, you will share with the purchaser the burden of proving the sale was exempt.

You must also maintain a method of associating an invoice (or other source document) for an exempt sale with the exemption certificate you have on file from the purchaser. You must keep this certificate at least three years after the due date of your sales tax return to which it relates, or the date the return was filed, if later.

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(for persons with hearing and speech disabilities using a TTY):

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EXHIBIT C-3

INVOICE RIDER FORM

I, _____, the
_____ of _____ certify that I am
a duly appointed agent of the NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(the “Agency”) and that I am purchasing the tangible personal property or services for use in the
following Agency Project and that such purchases qualify as exempt from sales and use taxes
under the Uniform Project Agreement, dated as of May 1, 2021, by and between the Agency and
555 STEWART GARDEN CITY, LLC.

Name of the Project:	555 STEWART GARDEN CITY, LLC, 2021 Project
Street address of the Project Site:	555 Stewart Avenue, Village of Garden City, Town of Hempstead, Nassau County, New York
Tax Map #:	(Section: 44; Block: 76; Lot: 15)
IDA OSC project number:	2803-21-04A

EXHIBIT D

**NYS FORM ST-340 TO BE COMPLETED BY THE COMPANY AND FILED
ANNUALLY WITH THE NYS TAX DEPARTMENT IDA UNIT NO LATER THAN
FEBRUARY 10TH OF EACH YEAR**

[See Attached Page]



Annual Report of Sales and Use Tax Exemptions Claimed by Agent/Project Operator of Industrial Development Agency/Authority (IDA)

ST-340
(1/18)

For period ending December 31, _____ (enter year)

Project information

Name of IDA agent/project operator 555 Stewart Garden City, LLC		Employer identification number (EIN) [REDACTED]	
Street address 1550 W. McEwan Drive, Suite 200		Telephone number (615) 778-1208	
City Franklin		State TN	ZIP code 37067
Name of IDA Nassau County Industrial Development Agency	Name of project 555 STEWART GARDEN CITY, LLC, 2021 Project		IDA project number 2803-21-04A
Street address of project site 555 Stewart Avenue**		**and any lands located in Nassau County and occupied by license or easement during construction or improved by third parties for the benefit of the Project	
City Garden City		State NY	ZIP code 11530
Date project began 052621	Completion date of project 123123 Actual <input type="checkbox"/> Expected <input checked="" type="checkbox"/>		
Total sales and use tax exemptions (actual tax savings; not total purchases)			\$ 2,652,259.00

Representative information (not required)

Authorized representative, if any	Title
Street address	Telephone number ()
City	State ZIP code

Certification

I certify that the above statements are true, complete, and correct, and that no material information has been omitted. I make these statements with the knowledge that willfully providing false or fraudulent information with this document may constitute a felony or other crime under New York State Law, punishable by a substantial fine and possible jail sentence. I also understand that the Tax Department is authorized to investigate the validity of any information entered on this document.		
Print name of officer, employee, or authorized representative		Title of person signing
Signature		Date

If you do not annually file a complete report, **we may remove** your authority to act as an IDA agent/project operator.

Mail completed report to:

**NYS TAX DEPARTMENT
IDA UNIT
W A HARRIMAN CAMPUS
ALBANY NY 12227-0866**

If not using U.S. Mail, see Publication 55, *Designated Private Delivery Services*.

Instructions

General information

Who must file

The General Municipal Law (GML) and the Public Authorities Law require the agent/project operator (also known as the *project occupant*) of an Industrial Development Agency or Authority (IDA) to file an annual report with the Tax Department. The agent/project operator required to file this report is the person **directly** appointed by the IDA to act for and to represent the IDA for the project. The agent/project operator is ordinarily the one for whom the IDA project was created.

There is usually only one agent/project operator directly appointed by the IDA for an IDA project. However, if the IDA directly appoints multiple agents/project operators, each agent/project operator must file this form (unless they are related corporations).

Only the agent/project operators directly appointed by the IDA must file Form ST-340. Contractors, subcontractors, consultants, or agents appointed by the agent/project operators should **not** themselves file Form ST-340. However, the agent/project operators must include on Form ST-340 information obtained from such contractors, subcontractors, consultants, and agents, as described below.

What you must report

The report must show the **total value** of all state and local **sales and use taxes exempted** during the calendar year, as a result of the project's designation as an IDA project. This includes:

- the value of the exemptions the agent/project operator (you) obtained; and
- the value of the exemptions obtained by your contractors, subcontractors, consultants, and others, whether or not appointed as agents of the IDA.

Include only the **total combined** exemptions obtained by the above people. A breakdown of the total is not required. However, since the report must include the value of the exemptions they obtained, you must keep records of the amounts others report to you.

You must make it clear to the contractors, subcontractors, consultants, and others that they must keep accurate tax information and have it available, so that you can comply with the annual reporting requirements.

Do not include on this report the amount of any sales and use tax exemptions from other provisions of the Tax Law (for example, manufacturer's production equipment exemption, research and development exemption, or contractor's exemption for tangible personal property incorporated into a project of an exempt organization).

When the report is due

You must file Form ST-340 on a calendar-year basis. It is due by the last day of February of the following year. The reporting requirement applies to IDA projects started on or after July 21, 1993.

Project information

At the top of the form, identify the reporting period by entering the year in the space provided. If an address is required, always include the ZIP code.

Name of IDA agent/project operator: Enter your name, address, employer identification number (EIN), and telephone number.

Name of IDA and IDA project number: Enter the name and address of the IDA. If more than one IDA is involved in a particular project, you must file a separate report for the tax exemptions attributable to each IDA. Also enter the ID project number.

Name of project: Enter the name of the project and the address of the project site. If you are involved in more than one project, you

must file a separate report for each project, even if authorized by the same IDA.

Date project began: Enter the date the project started (this means the earliest of the date of any bond or inducement resolution, the execution of any lease, or any bond issuance). Include month, day, and year.

Completion date of project: Enter the date installation, lease, or rental of property (for example, machinery or computers) on the project ended, or the date the project is expected to be completed. Mark an **X** in the appropriate box to indicate if the date entered is actual or expected.

Total sales and use tax exemptions: Enter the total amount of New York State and local sales and use taxes exempted during the reporting period as a result of the project's receipt of IDA financial assistance (*if none, enter 0*). This includes exemptions obtained at the time of purchase, as well as through a refund or credit of tax paid. Include the sales and use taxes exempted on purchases of property or services incorporated into or used on the exempt project. This includes the taxes exempted on purchases made by or on behalf of the agent/project operator, the general contractor for the project, and any subcontractors, consultants, or others. Do **not** enter total purchases.

Representative information

If applicable, enter the name, address, title (for example, attorney or accountant), and telephone number of the individual you authorize to submit this report. This section is not required.

Certification

Enter the name and title of the person signing on your behalf (for example, the IDA agent/project operator's officer, employee, or other authorized representative). Your officer, employee, or authorized representative must sign and date the report.

Mail completed report to:

**NYS TAX DEPARTMENT
IDA UNIT
W A HARRIMAN CAMPUS
ALBANY NY 12227-0866**

If not using U.S. Mail, see Publication 55, *Designated Private Delivery Services*.

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Telephone assistance

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Privacy notification

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EXHIBIT E

FORMS OF ANNUAL EMPLOYMENT REPORT

NASSAU IDA JOB CONFIRMATION FORM 2021

1. Sales Tax Abatement Information

Did your company receive Sales Tax Abatement on your Project during 2021?

Yes__ No__

If so, please provide the amount of sales and use tax exemptions.

This would be Actual tax savings; NOT total purchases.

\$ _____

(A copy of the ST-340 sales tax report submitted to New York State for the 2021 reporting period is required to be attached with this report)

2. Mortgage Recording Tax Information

a) Did your company receive Mortgage Tax Abatement on your Project during 2021?

Yes__ No__

(Note: this would only be applicable to the year that a mortgage was placed upon the Project, so if you did not close in 2021, the answer should be NO)

b) Amount of the mortgage recording tax that was abated during 2021:

\$ _____

3. Job Information

(NOTE: All job information required herein shall include the employees, independent contractors and employees of independent contractors of all owners, occupants and operators of the Project Facility. Such information of owners, occupants and operators other than the Applicant shall also be separately provided in a certified statement with supporting documentation from each such owner, occupant and operator.)

a) Total number (as of December 31st 2021) of full time equivalent ("FTE") jobs (including both retained and newly created jobs) at the Project Facility by job category, the average salary or range of salaries, and average fringe benefits or range of fringe benefits for each:

Category	FTE	Average Salary or Range of Salary	Avg. Fringe Benefits or Range of Benefits
Management	_____	_____	_____

Professional	_____	_____	_____
Administrative	_____	_____	_____
Production	_____	_____	_____
Supervisor	_____	_____	_____
Laborer	_____	_____	_____
Independent Contractor ²	_____	_____	_____
Other	_____	_____	_____

TOTAL

- b) Number of the foregoing jobs that were (as of 12/31/20) filled by residents of the Local Market Area (i.e., Nassau and Suffolk Counties): _____
- c) **Please attach (1) the 2021 fourth quarter form NYS-45 ATT, along with the NYS 45 summary report filed with New York State Employment Taxation Department indicating number of employees, and (2) the Undersigned's annual payroll report for year ending 12/31/20.**
- d) Number of FTE construction jobs during 2021: _____
- e) Average Salary of construction jobs during 2021: _____
- f) Number of FTE jobs created at the Project Facility during the fiscal year by job category the average salary or range of salaries, and average fringe benefits or range of fringe benefits for each:

Category	FTE	Average Salary or Range of Salary	Avg. Fringe Benefits or Range of Benefits
Management	_____	_____	_____
Professional	_____	_____	_____
Administrative	_____	_____	_____
Production	_____	_____	_____
Supervisor	_____	_____	_____
Laborer	_____	_____	_____
Independent Contractor ³	_____	_____	_____
Other	_____	_____	_____
Total	<input type="text"/>		

- g) Are the foregoing salary and fringe benefits figures consistent with the figures provided by the company in its application for financial assistance? Yes ___ No ___
- h) Number of the foregoing jobs that were (as of 12/31/20) filled by residents of the Local Market Area (i.e., Nassau and Suffolk Counties): _____

² As used in this form, this category includes employees of independent contractors.

³ As used in this form, this category includes employees of independent contractors.

- i) Number of the foregoing jobs that were as of 12/31/20
filled by Community Services Division applicants: _____
- j) Number of the foregoing jobs that were as of 12/31/20
filled by Job Training Partnership Act eligible persons: _____
- k) Total Annual Payroll for 2021: \$ _____

4. WBME Covenant:

- a) Did you make best effort to use W/MBE vendors or construction workers? _____
- b) Indicate any qualified women-owned and/or minority-owned business enterprises that
were used for contracts in 2021 _____

5. Project Investment Information

- a). Project Investment for 2021: \$ _____
(attach evidence such as receipts, contracts, invoices etc.)

The undersigned acknowledges that the average salaries or range of salaries and the average benefits or range of benefits for both retained and created jobs set forth in the Application are still accurate.

The undersigned acknowledges that the submission of any knowingly false or knowingly misleading information herein may lead to the immediate termination of the financial assistance and/or the recapture of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement in the project.

The undersigned hereby confirms that (i) no default under the Transaction Documents has occurred and is continuing, and (ii) no leases, subleases or other arrangements permitting the use or occupancy of the Project Facility are in effect, except those expressly authorized in writing by the Agency.

The undersigned hereby represents and warrants that, to the best of his/her knowledge, the information contained herein is true, accurate and complete.

Signed: _____

Company Name: _____

Name: _____

Address: _____

Title: _____

Phone: _____

Date: _____

Fax: _____

Email: _____

Acknowledgment to be completed by a Notary Public:

State of _____

County of _____

On the ____ day of ____ in the year ____ before me the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she they executed the same in his/her/their, capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

NOTARY PUBLIC (Please sign and affix stamp)

RETURN TO:

**NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
1 WEST STREET- 4TH FLOOR
MINEOLA, NY 11501
ATTN: ADMINISTRATIVE DIRECTOR
*NO LATER THAN FEBRUARY 10, 2022***