

## Geismar LLC PILOT Deviation Resolution

A regular meeting of the Nassau County Industrial Development Agency (the "Agency") was convened in public session, electronically, pursuant to Executive Order 202.1, issued on March 12, 2020, as amended to date - Continuing Temporary Suspension And Modification Of Laws Relating To The Disaster Emergency - by Governor Andrew M. Cuomo of the State of New York on April 22, 2021 at 6:30 p.m., local time.

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

### PRESENT:

Richard Kessel	Chairman
Lewis M. Warren	Vice Chairman
Anthony Simon	2nd Vice Chairman
Amy Flores	Treasurer
John Coumatos	Asst. Treasurer
Chris Fusco	Asst. Secretary

### NOT PRESENT:

Timothy Williams	Secretary
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### THE FOLLOWING ADDITIONAL PERSONS WERE PRESENT:

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

The attached resolution no. 2021-20 was offered by Anthony Simon, seconded by Amy Flores.

RESOLUTION AUTHORIZING A DEVIATION FROM THE UNIFORM  
TAX EXEMPTION POLICY OF THE NASSAU COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY WITH RESPECT  
TO A PROJECT FOR GEISMAR LLC.

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

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

WHEREAS, GEISMAR LLC, a limited liability company organized and existing under the laws of the State of New York (the “Company”), and PAINT APPLICATOR CORP. OF AMERICA D/B/A PACOA, a corporation organized and existing under the laws of the State of New York (the “Sublessee”, and together with the Company, the “Applicants”), have presented an application for financial assistance (the “Application”) to the Agency, which Application requests that the Agency consider undertaking a project (the “Project”) consisting of the following: (A)(1) the retention of an interest of an in an approximately 6.2 acre parcel of land located at 7 Harbor Park Drive, Port Washington, Town of North Hempstead, County of Nassau, New York (Section: 6; Block: 86: Lots: 2A, 2B and 3) (the "Land"), (2) the renovation of an approximately 25,000 square foot portion of an approximately 91,250 square foot warehouse/office facility located thereon and the construction of an approximately 21,300 square foot addition thereto (collectively the "Building") and related improvements on 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 as a corporate headquarters and warehouse/distribution center by the Applicants; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing in the form of potential exemptions or partial exemptions from real property taxes, mortgage recording taxes and sales and use taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase), license or sale of the Project Facility to the Applicants or such other entity as may be designated by the Applicants and agreed upon by the Agency; and

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

WHEREAS, pursuant to Section 874(4) of the Act, (A) the Executive Director of the Agency caused a letter dated April 5, 2021 (the "PILOT Deviation Notice Letter") mailed to the chief executive officer of each affected tax jurisdiction, informing said individuals that the Agency would, at its meeting on April 22, 2021 (the "IDA Meeting"), consider a proposed deviation from the Tax Exemption Policy with respect to the payments in lieu of real property taxes to be made pursuant to a payment in lieu of taxes agreement to be entered into by the Agency with respect to the Project Facility; and (B) the members of the Agency conducted the IDA Meeting on the date hereof and reviewed any comments and correspondence received with respect to the proposed deviation from the Tax Exemption Policy; and

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

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

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

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

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

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

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

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

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

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

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK

) SS.:

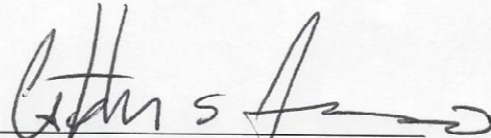
COUNTY OF NASSAU

We, the undersigned [Vice] Chairman and [Assistant] Secretary of the Nassau County Industrial Development Agency (the "Agency"), do hereby certify that we have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on April 22, 2021 with the original thereof on file in our office, and that the same is a true and correct copy of said original and of such Resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

WE FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 5 of the Public Officers Law (the "Open Meetings Law") as modified pursuant to Executive Order No. Order 202.1, issued on March 12, 2020, as amended to date, - Continuing Temporary Suspension And Modification Of Laws Relating To The Disaster Emergency - by Governor Andrew M. Cuomo of the State of New York, said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

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

IN WITNESS WHEREOF, we have hereunto set our respective hands and affixed the seal of the Agency this 22nd day of April 2021.

  
[Assistant] Secretary

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

(SEAL)

STATE OF NEW YORK

) SS.:

COUNTY OF NASSAU

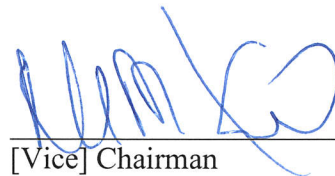
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IN WITNESS WHEREOF, we have hereunto set our respective hands and affixed the seal of the Agency this 22nd day of April 2021.

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

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

(SEAL)

**EXHIBIT A**

**PILOT DEVIATION LETTER**



NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
1 WEST STREET  
4TH FLOOR  
MINEOLA, NY 11501  
TELEPHONE (516) 571-1945 FAX (516) 571-1076  
[www.nassauida.org](http://www.nassauida.org)

April 5, 2021

CERTIFIED MAIL, RETURN  
RECEIPT REQUESTED and  
FIRST CLASS MAIL

County Executive Laura Curran  
County of Nassau  
1550 Franklin Avenue  
Mineola, NY 11501

Supervisor Judi Bosworth  
Town of North Hempstead  
220 Plandome Road  
Manhasset, NY 11030

Superintendent Dr. Michael Hynes  
Port Washington School District  
100 Campus Drive  
Port Washington, NY 11050

Allison Brown, Superintendent  
Roslyn School District  
300 Harbor Hill Road  
Roslyn, NY 11576

NOTICE OF PROPOSED DEVIATION FROM  
UNIFORM TAX EXEMPTION POLICY

Ladies and Gentlemen:

Notice is hereby given that at a meeting of the Nassau County Industrial Development Agency (the "Agency") to be held on April 22, 2021 at 6:45 p.m. local time to be conducted



electronically, as hereinafter described, the Agency will consider whether to approve the application of the Applicant (as defined below), for certain “financial assistance” which, if granted, would deviate from the Agency’s Uniform Tax Exemption Policy (the “Policy”) with respect to the payment of real property taxes. The meeting of the Agency will be open to the public.

In accordance with Section 859-a of the General Municipal Law, a representative of the Agency will present a copy of the Company’s project Application, which is also available for viewing on the Agency’s website at <https://nassauida.org/incentive-documents/>. However, given the ongoing COVID-19 public health crisis and related Executive Orders issued by Governor Andrew M. Cuomo, the Agency will not be able to accommodate any in-person public attendance or participation at this hearing. Nonetheless, and in furtherance of the provisions of Section 859-a of the General Municipal Law requiring interested parties be provided a reasonable opportunity, both orally and in writing, to present their views with respect to the Project, and pursuant to Governor Cuomo’s Executive Order 202.1, issued on March 12, 2020, as amended to date, suspending the Open Meetings Law and authorizing the conduct of public hearings through use of telephone conference, video conference and/or other similar service, the Agency will broadcast the Public Hearing live on its Youtube channel at <https://www.youtube.com/channel/UCuERg-5BYx9VsdBVHUPTYJw/featured>. In addition, the Agency will provide public access to provide oral comments via Zoom by registering at our website at <https://nassauida.org/>. After registering, you will receive a confirmation email containing information about joining the webinar.

At the meeting of the Agency, the Agency will consider the application of GEISMAR LLC, a limited liability company organized and existing under the laws of the State of New York, (the “Company”) and PAINT APPLICATOR CORP. OF AMERICA D/B/A PACOA, a corporation organized and existing under the laws of the State of New York (the “Sublessee”, and together with the Company, the “Applicants”), have presented an application for financial assistance (the “Application”) to the Agency, which Application requests that the Agency consider undertaking a project (the “Project”) consisting of the following: (A)(1) the retention of an interest of an in an approximately 6.2 acre parcel of land located at 7 Harbor Park Drive, Port Washington, Town of North Hempstead, County of Nassau, New York (Section: 6; Block: 86; Lots: 2A, 2B and 3) (the “Land”), (2) the renovation of an approximately 25,000 square foot portion of an approximately 91,250 square foot warehouse/office facility located thereon and the construction of an approximately 21,300 square foot addition thereto (collectively the “Building”) and related improvements on 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 as a corporate headquarters and warehouse/distribution center by the Applicants; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing in the form of potential exemptions or partial exemptions from real property taxes, mortgage recording taxes and sales and use taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase), license or sale of the Project Facility to the Applicants or such other entity as may be designated by the Applicants and agreed upon by the Agency.

The Application states that the Applicant is seeking an abatement of real property taxes. However, based upon preliminary negotiations between representatives of the Applicant and the

Agency, the parties contemplate that the Agency may agree to grant a real property tax exemption (the "Property Tax Exemption") with respect to the Project Facility as follows:

(i) for the period commencing on the date of the closing of the Project transaction (the "Closing Date") to and including the day prior to the Effective Date (as defined below), payments shall be equal to one hundred percent (100%) of the real property taxes and assessments that would be levied annually upon the Land and the existing improvements thereon as of the date of closing without taking into consideration the transfer of ownership, jurisdiction, supervision or control of the Project Facility to the Agency; and

(ii) for the period commencing on the Effective Date and continuing for fifteen (15) full fiscal tax years thereafter, fixed payments equal to the sum of the BASE PILOT and the IMPROVEMENT PILOT.

Thereafter, and through the end of the term of the project agreement, lease or installment sale agreement with respect to the Project Facility, the payments would be equal to the real property taxes and assessments that would be payable as if the Project Facility were returned to the tax rolls as taxable property and subject to taxation at its then current, full assessed value, as the same may be reassessed from time to time, and subject to tax rate increases imposed by the affected tax jurisdictions.

For the purposes of the foregoing, the following terms shall have the following meanings:

(a) "BASE PILOT" shall be deemed to mean the amount of (i) all real property taxes and assessments payable on the Land and the existing improvements thereon as of the Closing Date, which amount shall be increased by 1.23% per year (compounded) after the first (1st) fiscal tax year for two (2) years "TRANSITIONAL AV BASE PILOT" and (ii) in the fourth (4<sup>th</sup>) fiscal tax year after the closing date the amount of all real property taxes and assessments payable on the Land and the existing improvements thereon that would be payable as of the Closing Date if real property taxes were calculated as of the Closing Date based on the full assessed value as opposed to the transitional assessed value "FULL AV BASE PILOT" which amount shall be increased by 1.23% per year (compounded) after such fourth (4th) fiscal tax year for eleven (11) years. Except as set forth in the immediately preceding sentence, the BASE PILOT (including the TRANSITIONAL AV BASE PILOT and the FULL AV BASE PILOT) shall not increase or decrease during the term of the PILOT Agreement. The BASE PILOT (including the TRANSITIONAL AV BASE PILOT and the FULL AV BASE PILOT) shall be reduced by any special taxes, assessments or levies that the Applicant is required to pay separately to the affected tax jurisdictions. In calculating the BASE PILOT (including the TRANSITIONAL AV BASE PILOT and the FULL AV BASE PILOT), the Agency shall take into account the most recent assessment data (i.e., assessed value and tax rates) available as of the Closing Date including any applicable approved tax certiorari stipulation or other settlement or arrangement with the applicable tax assessor(s).

(b) "IMPROVEMENT PILOT" shall be deemed to mean the product of the following amounts, as determined by the Agency: (i) the Assessed Value of the Improvement, (ii) the PILOT Rate, and (iii) the number 0.01, as phased in and adjusted pursuant to Exhibit A attached hereto. The term "Assessed Value of the Improvement" shall be deemed to mean the product of (y) the fair

market value of the Project Facility (less the market value used in the calculation of the FULL AV BASE PILOT) for real property tax valuation purposes, computed as of the estimated date of completion, as determined by the Agency using a methodology reasonably selected by the Agency, and (z) the level of assessment used by the Nassau County Assessor as of the year in which the Closing Date occurs. The PILOT Rate shall be evidenced by School Tax Bills, Village Tax Bills, if any and General Tax Bills based on the most recent assessment data available to the Agency as of the year in which the Closing Date occurs. The IMPROVEMENT PILOT shall be reduced by any special taxes, assessments or levies that the Applicant is required to pay separately to the affected tax jurisdictions.

(c) "Effective Date" shall be deemed to mean for each affected tax jurisdiction the first day of the first fiscal tax year following the first taxable status date occurring subsequent to the last to occur of (i) the Agency acquiring an interest in the Project Facility, (ii) the filing by the Agency of the appropriate application for tax exemption with the Nassau County Tax Assessor, and (iii) the acceptance of such Application by such assessor.


The Property Tax Exemption, if approved by the Agency, would constitute a deviation from the Policy.

The reason for the deviation is that the Property Tax Exemption, if approved by the Agency, is necessary to induce the Applicant to undertake the Project and that the PILOT payments would not be lower than the real property taxes that should otherwise apply with respect to the Land and the existing improvements thereon as of the Closing Date.

Sincerely,

NASSAU COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

By: \_\_\_\_\_

  
Harry Coghlan

Chief Executive Officer

Exhibit A

Period	Begin	End	Assessed Value of Improvement ("AV") At Full AV	PILOT RATE
1	Closing Date	1 day prior to Effective Date ("ED")	N/A	N/A
2	Effective Date			
3	1 yr Anniversary of Effective Date	1st-2nd Anniversary of ED	0.00 AV	SUM OF TAX RATES AS OF YEAR OF CLOSING ("RATE")
4	2 yr Anniversary of Effective Date	2nd-3rdth Anniversary of ED	0.00 AV	Rate * 1.0123
5	3 yr Anniversary of Effective Date	3rd-4th Anniversary of ED	0.07 AV	Rate * 1.0248
6	4 yr Anniversary of Effective Date	4th-5th Anniversary of ED	0.14 AV	Rate * 1.0374
7	5 yr Anniversary of Effective Date	5th-6th Anniversary of ED	0.21 AV	Rate * 1.0501
8	6 yr Anniversary of Effective Date	6th-7th Anniversary of ED	0.29 AV	Rate * 1.0630
9	7 yr Anniversary of Effective Date	7th-8th Anniversary of ED	0.36 AV	Rate * 1.0761
10	8 yr Anniversary of Effective Date	8th-9th Anniversary of ED	0.43 AV	Rate * 1.0893
11	9 yr Anniversary of Effective Date	9th-10th Anniversary of ED	0.50 AV	Rate * 1.1027
12	10 yr Anniversary of Effective Date	10th-11th Anniversary of ED	0.57 AV	Rate * 1.1163
13	11 yr Anniversary of Effective Date	11th-12th Anniversary of ED	0.64 AV	Rate * 1.1300
14	12 yr Anniversary of Effective Date	12th-13th Anniversary of ED	0.71 AV	Rate * 1.1439
15	13 yr Anniversary of Effective Date	13th-14th Anniversary of ED	0.79 AV	Rate * 1.1580
16	14 yr Anniversary of Effective Date	14th-15th Anniversary of ED	0.86 AV	Rate * 1.1722
		15th-16th Anniversary of ED	0.93 AV	Rate * 1.1867
Period				
	FULL AV Base PILOT	IMPROVEMENT PILOT At Full AV	TOTAL PILOT	
1		Transitional AV Base PILOT		
2	100% of taxes as of year of Closing	100% of taxes as of year of Closing	BASE PILOT + IMPROVEMENT PILOT	
3	100% of taxes as of year of Closing	100% of taxes as of year of Closing	BASE PILOT + IMPROVEMENT PILOT	
4	100% of taxes as of year of Closing * 1.0123	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
5	100% of taxes as of year of Closing * 1.0248	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
6	100% of taxes as of year of Closing at full AV* 1.0123	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
7	100% of taxes as of year of Closing * 1.0248	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
8	100% of taxes as of year of Closing * 1.0374	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
9	100% of taxes as of year of Closing * 1.0501	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
10	100% of taxes as of year of Closing * 1.0630	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
11	100% of taxes as of year of Closing * 1.0761	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
12	100% of taxes as of year of Closing * 1.0893	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
13	100% of taxes as of year of Closing * 1.1027	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
14	100% of taxes as of year of Closing * 1.1163	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
15	100% of taxes as of year of Closing * 1.1300	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
16	100% of taxes as of year of Closing * 1.1439	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	