

MINUTES
COUNTY OF OSWEGO INDUSTRIAL DEVELOPMENT AGENCY
August 27, 2015
IDA OFFICE BUILDING
44 W. BRIDGE ST.
OSWEGO, NEW YORK

PRESENT: Canale, Kunzwiler, Rush, Schick, Sorbello and Toth

Absent/Excused: None

Also Present: Kevin C. Caraccioli, David S. Dano and L. Michael Treadwell

Chair Rush called the meeting to order at 9:00 a.m. at the offices of the County of Oswego IDA in Oswego, NY.

APPROVAL OF MINUTES

On a motion by Mr. Sorbello, seconded by Mr. Toth, the minutes of the July 31, 2015 meeting were approved.

TREASURER'S REPORT

On a motion by Mr. Kunzwiler, seconded by Mr. Schick, the Financial Statements for the period ended June 30, 2015 were approved.

NOTICE OF MEETING

Meeting notices were posted at the Oswego County Building, the IDA Office Building, and on the IDA website. A notice was published in The Palladium Times on August 10, 2015.

Executive Session

Chair Rush and Mr. Caraccioli reported that due to matters involving the financial history of a business/organization and individuals and potential contractual matters, on a motion by Mr. Sorbello, seconded by Mr. Kunzwiler, it was approved to go into Executive Session at 9:08 a.m.

On a motion by Mr. Kunzwiler, seconded by Mr. Canale, the Executive Session ended at 10:55 a.m.

Delinquent Loan Report

Mr. Dano reviewed the report for the period ended July 31, 2015. Following a discussion, on a motion by Mr. Kunzwiler, seconded by Mr. Canale, authorization was approved to initiate legal action regarding the Tavern on the Lock project.

County of Oswego – Alternative Allocation of PILOTs

Mr. Treadwell distributed a copy of an article on the resolution approved by the County Legislature on August 14, 2015 that appeared in the Palladium Times on August 15, 2015. A copy of article is attached and made an official part of the minutes. Mr. Caraccioli reported that the resolution was approved by a vote of 18-5-1-1.

Oswego County Federal Credit Union

Following a discussion, on a motion by Mr. Kunzwiler, seconded by Mr. Sorbello, a resolution was approved approving the undertaking the acquisition, renovation and equipping of a certain project, appointing the Company Agent of the Agency for the purpose of the acquisition, renovation and equipping of the project; approving financial assistance in the form of exemptions from real property tax; and authorizing the execution and delivery of an agreement between the Agency and the Company. A copy of the Inducement Resolution is attached and made an official part of the minutes.

Following a discussion, on a motion by Mr. Schick, seconded by Mr. Canale, a resolution was approved approving a PILOT schedule and authorizing the execution and delivery of certain documents by the Agency in connection with a certain project undertaken at the request of the Company. A copy of the PILOT Resolution is attached and made an official part of the minutes.

Following a discussion, on a motion by Mr. Canale, seconded by Mr. Kunzwiler, a resolution was approved authorizing the execution and delivery of certain documents by the Agency in connection with a certain project undertaken at the request of the Company. A copy of the Final Approving Resolution is attached and made an official part of the minutes.

Rochester's Cornerstone Group/Oswego County Opportunities

Following a discussion and review of the application, on a motion by Mr. Schick, seconded by Mr. Canale, a resolution was approved determining that the acquisition, construction, reconstruction, renovation and equipping of a commercial facility at the request of the Company constitutes a project and describing the financial assistance requested in connection therewith and authorizing a public hearing. A copy of the Initial Resolution is attached and made an official part of the minutes.

A request to have the developers make a presentation on the scope of the project and the structure of a PILOT term was made.

SBA 504/Operation Oswego County Interim Financing

Following a discussion on the recent increase in possible SBA 504 financing, on a motion by Mr. Canale, seconded by Mr. Schick, it was approved to amend the July 31, 2015 action and increase the interim support up to \$275,000 and authorization was approved to enter into an Interim Funding Agreement.

COIDA Application for Financial Assistance

Following a discussion, on a motion by Mr. Sorbello, seconded by Mr. Toth, it was approved to modify the time period for job estimates from 3 years to 5 years.

Happy Hearts Childcare, Inc.

Following a discussion and review of the financing application, on a motion by Mr. Toth, seconded by Mr. Kunzwiler, a resolution was adopted classifying the project as an unlisted action, declaring the County of Oswego IDA the Lead Agency for purposes of an uncoordinated review pursuant to the SEQRA and determining that the financial assistance for the Happy Hearts Childcare, Inc. Project will not have a significant effect on the environment. A copy of the Negative Declaration is on file at the Agency.

On a motion by Mr. Schick, seconded by Mr. Kunzwiler, the financial assistance renovations, equipping, soft costs and working capital (\$20,000) was approved. A copy of the Financing Proposal Summary and Cost/Benefit Analysis is on file at the Agency.

Incubator/Price Chopper

Mr. Treadwell reported that the CFA funding has not been determined.

Branch Development Oswego, LLC/Holiday Inn Express

Following a discussion and concerns relative to the IRP loan associated with the program requirements, it was recommended that the loan be substituted with financial assistance using the changes made in the PILOT EDF and provide the financial assistance through OOC. On a motion by Mr. Kunzwiler, seconded by Mr. Canale, the modification was approved.

Next IDA Meeting

September 17, 2015 at 9:30 a.m. was scheduled.

ADJOURNMENT

On a motion by Mr. Schick, seconded by Mr. Canale, the meeting was adjourned at 11:44 a.m.

Respectfully Submitted,

H. Leonard Schick
Secretary

County Legislature votes to rework PILOT, IDA agreement

BY SETH WALLACE
swallace@palladiumtimes.com

PULASKI — The Oswego County Legislature voted Thursday to rework specifics of the County of Oswego Industrial Development Agency's (IDA) ability to provide funds to businesses and organizations seeking economic assistance.

According to Oswego County administrator Phil Church, the IDA will

no longer operate a revolving loan fund using Payment in Lieu of Taxes (PILOT) revenue, but will retain the option of using other methods of financial backing to qualified parties.

Following a contentious debate regarding the philosophy of the IDA and its practices, legislators voted that 10 percent of the PILOT revenue collected by the county and the IDA yearly would be "retained ... to capitalize an economic development fund"

until the balance reaches \$2.5 million. Any uncommitted funds in excess of that \$2.5 million cap will be transferred to the county to off-set property taxes and balance the budget, according to Church.

The resolution was spurred, in part, by an audit of the IDA by the office of New York State Comptroller Thomas DiNapoli released earlier this year which found shortcomings in oversight of the revolving loan fund.

"It's critical for our economic development to have that action taken," said IDA Executive Director L. Michael Treadwell, referring to the passage of the resolution.

According to Church, while the IDA will no longer operate loans the way it has previously, the PILOT funds affected by the resolution will be available for alternative allocations

such as "lease-to-own" programs, where the IDA would have the option to make large purchases such as machinery for businesses, which would then make payments to the IDA until the balance is paid off.

"Funding can be earned in other ways," said Church.

Church also noted that PILOTs from the Nine Mile and Fitzpatrick nuclear facilities are not part of the 10 percent. The taxing jurisdictions of Oswego and Scriba will receive the full amount.

During the debate, Legislator

Frank Castiglia, D-Fulton, introduced a motion that would cut the 10 percent down to 5 for two years, citing the need to further assess the impact and effectiveness of the IDA.

"I want to bring this county into the 21st century," said Castiglia. "We're stagnant. I want to move us forward."

Castiglia's motion was ultimately defeated in a roll call vote. Legislator Shawn Doyle, R-Pulaski, praised the IDA's impact on the county economic landscape, saying it gave Oswego an "extra edge" to stay competitive.

"[The IDA] has helped keep

businesses here," said Doyle. "We need to put tools in the toolbox for economic development. We're responding to the Comptroller's audit — we're retooling."

Minority Whip Doug Malone, D-Oswego Town, attempted to table the resolution until a later date, saying he agreed with Castiglia's motion to enact a two-year review process.

"This should be looked at, bounced around the economic development committee," said Malone. Malone's motion to table the resolution was also defeated in a roll-call vote.

Legislator Jake Mulcahey, D-Oswego, supported both Castiglia's and Malone's motions, saying it was in the best interest of the county to come to a "compromise."

"I've always supported [the IDA] and defended the loans they extend," said Mulcahey.

"But I want to get away from what looks like spending taxpayer money (referring to the PILOT agreements). No one's arguing the effectiveness of [the IDA] but let's phase out spending taxpayer dollars."

INDUCEMENT RESOLUTION

A regular meeting of the County of Oswego Industrial Development Agency was convened in public session on August 27, 2015, at 9:00 a.m., at 44 West Bridge Street, Oswego, New York.

The meeting was called to order by the Chair and, upon the roll being duly called, the following members were:

PRESENT: Nick Canale, Jr., Donald H. Kunzwiler, Carolyn A. Rush,
H. Leonard Schick, Morris Sorbello and Gary T. Toth

ABSENT: None

ALSO PRESENT: Kevin C. Caraccioli, David S. Dano and L. Michael
Treadwell

The following resolution was duly offered and seconded:

RESOLUTION UNDERTAKING THE ACQUISITION, RENOVATION AND EQUIPPING OF A CERTAIN PROJECT, APPOINTING THE COMPANY AGENT OF THE AGENCY FOR THE PURPOSE OF THE ACQUISITION, RENOVATION AND EQUIPPING OF THE PROJECT; APPROVING FINANCIAL ASSISTANCE IN THE FORM OF EXEMPTIONS FROM REAL PROPERTY TAX; AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT BETWEEN THE AGENCY AND THE COMPANY

WHEREAS, the County of Oswego Industrial Development Agency (the “*Agency*”) is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the “*State*”), as amended, together with Chapter 234 of the Laws of 1973 of the State of New York, as amended from time to time (collectively, 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, including industrial pollution control facilities, railroad facilities and certain horse racing facilities, for the purpose of promoting, attracting, encouraging and developing recreation and economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, 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 grant “financial assistance” (as defined in the Act) in connection with the acquisition, construction, renovation and equipping of one or more “projects” (as defined in the Act); and

WHEREAS, Oswego County Federal Credit Union, a chartered financial cooperative association (collectively, the “*Company*”), submitted an application to the Agency on or about July 29, 2015 (the “*Application*”), a copy of which is on file at the office of the Agency, requesting the Agency undertake a project (the “*Project*”) consisting of: (A) (i) the acquisition of a leasehold interest in approximately 0.517 acres of improved real property located at 707 4th Street South in the City of Fulton, New York, Oswego County (the “*Land*”); (ii) the renovation of an approximate 2,284 square foot building for use as office space (the “*Facility*”), located on the Land; (iii) the acquisition of and installation in the Facility of various machinery, equipment and furnishings (collectively the “*Equipment*”) (the Land, Facility and Equipment are hereinafter collectively referred to as the “*Project Facility*”); (B) the granting of certain financial assistance in the form of exemption from real property tax (collectively, the “*Financial Assistance*”); and (C) the lease of the Land and Facility by the Agency pursuant to a lease agreement; the acquisition of an interest in the Equipment pursuant to a bill of sale; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, the Agency adopted a resolution on July 31, 2015 describing the Project and the Financial Assistance and authorizing a public hearing (collectively, the “*Initial Resolution*”); and

WHEREAS, the Agency conducted a public hearing with respect to the Project and the proposed Financial Assistance on August 17, 2015 pursuant to Section 859-a of the Act, notice of which was published on August 6, 2015 in the Palladium Times, a newspaper of general circulation in the County of Oswego, New York and given to the chief executive officers of the affected tax jurisdictions by letter dated August 5, 2015; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as “*SEQRA*”), the Agency is required to make a determination whether the “action” (as said quoted term is defined in SEQRA) to be taken by the Agency may have a “significant impact on the environment” (as said quoted term is utilized in SEQRA), and the preliminary agreement of the Agency to undertake of the Project constitutes such an action; and

WHEREAS, to aid the Agency in determining whether the Project may have a significant impact upon the environment, the Agency has examined the EAF prepared by the Company in order to classify the Project and has determined that the Project constitutes a “Type II” action as that term is defined under SEQRA, and therefore no further review is required; and

WHEREAS, the Agency has considered the policy, purposes and requirements of the Act in making its determinations with respect to taking official action regarding the Project; and

WHEREAS, the Agency has given due consideration to the Application and to representations by the Company that the provision of Financial Assistance: (i) will induce the Company to develop the Project Facility in the County of Oswego; (ii) will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act; and (iii) the Project will serve the purposes of the Act by creating and/or preserving permanent, private sector jobs and advancing the health, general prosperity and economic welfare of the people of the State.

NOW, THEREFORE, be it resolved by the members of the County of Oswego Industrial Development Agency, as follows:

Section 1. It is the policy of the State to promote the economic welfare, recreation opportunities and prosperity of its inhabitants and to actively promote, attract, encourage and develop economically sound commerce and industry for the purpose of preventing unemployment and economic deterioration. It is among the purposes of the Agency to promote, develop, encourage and assist in the acquiring, constructing, improving, maintaining, equipping and furnishing of certain facilities, including commercial facilities, and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their recreation opportunities, prosperity and standard of living.

Section 2. Based upon the representations and projections made by the Company to the Agency, the Agency hereby makes the following determinations:

- a. The Project constitutes a Type II action under SEQRA and therefore no further review is required.
- b. Ratifies the findings in its Initial Resolution.
- c. The Project constitutes a “project” within the meaning of the Act.
- d. The granting of the Financial Assistance will be an inducement to the Company to develop the Project in the City of Fulton, County of Oswego.
- e. The commitment of the Agency to provide Financial Assistance to the Company will enable the Company to renovate the Project.
- f. The renovation and equipping of the Project will promote employment opportunities, help prevent economic deterioration in the City of Fulton by the creation and/or preservation of both full and part-time jobs and advance the health, general prosperity and economic welfare of the people of the State.
- g. The acquisition of a controlling interest in the Project Facility by the Agency and the designation of the Company as the Agency’s agent for completion of the Project

will be an inducement to the Company to renovate, equip and operate the Project Facility in the County of Oswego, and will serve the purposes of the Act by, among other things, preserving and/or creating permanent private sector jobs, the general prosperity and economic welfare of the inhabitants of the County of Oswego and the granting of the Financial Assistance will assist in the financing the costs of the acquisition, renovation and equipping of the Project.

- h. The Project will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act.

Section 3. Subject to the terms of this Resolution and conditions set forth in Section 4.02 of the Agreement (hereinafter defined), and subject to the Agency's approval of the PILOT schedule, the Agency will: (i) acquire a controlling interest in the Land and Facility pursuant to a lease agreement (the "***Lease***") to be entered into between the Company and the Agency and accept an interest in the Equipment, if any, pursuant to a bill of sale from the Company (the "***Bill of Sale***"); (ii) sublease the Project Facility to the Company pursuant to a sublease agreement (the "***Sublease***" and together with the Lease, the Bill of Sale and any other certificates and documents deemed necessary by the Agency to undertake the Project, collectively, the "***Lease Documents***") to be entered into between the Agency and the Company; (iii) grant the Financial Assistance; (iv) provided that no default shall have occurred and be continuing under the Agreement, the Lease Documents or any loan documents, execute and deliver all other certificates and documents necessary or appropriate for the grant of the Financial Assistance requested by the Company, in form and substance acceptable to the Agency, or its commercial lender(s) in connection with financing for the Project, including but not limited to, one or more mortgages in favor of the Agency and/or the Company's commercial lender(s).

Section 4. As a condition to the granting of the Financial Assistance, the Company agrees to execute an agreement with the Agency setting forth the preliminary undertakings of the Agency and the Company with respect to the Project. The form and substance of the proposed agreement (as set forth as on **Exhibit "A"** attached hereto and presented at this meeting) (the "***Agreement***") are hereby approved. The Chief Executive Officer or (Vice) Chairperson of the Agency are each hereby authorized, on behalf of the Agency, to execute and deliver the Agreement, in substantially the same form as presented at this meeting and attached hereto as **Exhibit "A"**, with changes in terms and form as shall be consistent with this Resolution and as the Chief Executive Officer or (Vice) Chairperson shall approve. The execution thereof by the Chief Executive Officer or (Vice) Chairperson shall constitute conclusive evidence of such approval.

Section 5. The Chief Executive Officer or (Vice) Chairperson of the Agency, acting individually, are each hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver the documents and agreements identified herein and any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, to make such other changes, omissions, insertions, revisions, or amendments to the documents referred herein and to do and cause to be done any such other acts and things, as they

determine, on advice of counsel to the Agency, may be necessary or desirable to consummate the transactions contemplated by this Resolution and the Agreement.

Section 6. The obligation of the Agency to consummate any transaction contemplated herein or hereby is subject to and conditioned upon the execution and delivery of, among other things, an environmental compliance and indemnification agreement in favor of the Agency in form and substance acceptable to the Agency and its counsel by the Company and some or all of its principals, in the discretion of the Chief Executive Officer or (Vice)Chairperson of the Agency.

Section 7. No covenant, stipulation, obligation or agreement contained in this Resolution or any document referred to herein shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. Neither the members nor officers of the Agency, nor any person executing any documents referred to herein on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

Section 8. Should the Agency's participation in the Project be challenged by any party, in the courts or otherwise, the Company shall defend, indemnify and hold harmless the Agency and its members, officers and employees from any and all losses arising from any such challenge including, but not limited to, the fees and disbursement of the Agency's counsel. Should any court of competent jurisdiction determine that the Agency is not authorized under the Act to participate in the Project, this Resolution shall automatically become null, void and of no further force and effect, and the Agency shall have no liability to the Company hereunder or otherwise.

Section 9. A copy of this Resolution, together with the attachments hereto, shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

Section 10. The Chief Executive Officer of the Agency is hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 11. Counsel to the Agency and special Agency counsel are hereby authorized to work with the Company, and others to prepare, for submission to the Agency, all documents necessary to effect the grant of Financial Assistance and consummate the Lease Documents.

Section 12. This Resolution shall take effect immediately.

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

	<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>	<u>Recuse</u>
Nick Canale, Jr.	X				
Donald H. Kunzwiler	X				
Carolyn A. Rush	X				
H. Leonard Schick	X				
Morris Sorbello	X				
Gary T. Toth	X				

The resolution was thereupon declared duly adopted.

STATE OF NEW YORK)

) ss.:

COUNTY OF OSWEGO)

I, the undersigned Chief Executive Officer of the County of Oswego Industrial Development Agency, Do Hereby Certify that (i) I have compared the annexed extract of the minutes of the meeting of the County of Oswego Industrial Development Agency (the “*Agency*”) held on August 27, 2015, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

I Further Certify that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

In Witness Whereof, I have hereunto set my hand and affixed the seal of the Agency on August 27, 2015.

L. Michael Treadwell
Chief Executive Officer

(SEAL)

EXHIBIT "A"

AGENCY/COMPANY AGREEMENT

This Agreement is between the County of Oswego Industrial Development Agency (the "**Agency**"), and Oswego County Federal Credit Union (the "**Company**").

Article 1. Preliminary Statement. Among the matters of mutual inducement which have resulted in the execution of this Agreement are the following:

1.01. The Agency is authorized and empowered by the provisions of Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "**State**"), as amended, together with Chapter 234 of the Laws of 1973 of the State of New York, as amended from time to time (collectively, the "**Act**") to grant "financial assistance" (as defined in the Act) in connection with "Projects" (as defined in the Act) and to lease or sell the same upon such terms and conditions as the Agency may deem advisable and designate an agent for constructing and equipping "projects" (as defined in the Act).

1.02. The purposes of the Act are to promote, attract, encourage and develop recreation and economically sound commerce and industry in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living, and to prevent unemployment and economic deterioration. The Act vests the Agency with all powers necessary to enable it to accomplish such purposes, including the power to grant financial assistance, acquire and dispose of interests in real property and to appoint agents for the purpose of completion of projects undertaken by the Agency.

1.03. The Company has requested that the Agency undertake a project (the "**Project**") consisting of: (A) (i) the acquisition of a leasehold interest in approximately 0.517 acres of improved real property located at 707 4th Street South in the City of Fulton, New York, Oswego County (the "**Land**"); (ii) the renovation of an approximate 2,284 square foot building for use as office space (the "**Facility**"), located on the Land; (iii) the acquisition of and installation in the Facility of various machinery, equipment and furnishings (collectively the "**Equipment**") (the Land, Facility and Equipment are hereinafter collectively referred to as the "**Project Facility**"); (B) the granting of certain financial assistance in the form of exemption from real property tax (collectively, the "**Financial Assistance**"); and (C) the lease of the Land and Facility by the Agency pursuant to a lease agreement; the acquisition of an interest in the Equipment pursuant to a bill of sale; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement.

1.03(a). All documents necessary to effectuate the Agency's undertaking of the Project and the granting of the Financial Assistance between the Agency and the Company, including but not limited to, a company lease, an agency lease, a bill of sale, an environmental compliance and indemnification agreement and a payment in lieu of taxes agreement, shall be collectively referred to herein as the "***Lease Documents***".

1.04. The Company hereby represents to the Agency that undertaking the Project: (i) will be an inducement to it to renovate and equip the Project Facility in the County of Oswego (the "***County***"); (ii) will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or of any other proposed occupant of the Project Facility from one area of the State to another or in the abandonment of one or more plants or facilities of the Company or of any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act; and (iii) undertaking the Project will promote, create and/or preserve private sector jobs in the State. The Company hereby further represents to the Agency that the Project Facility is not primarily used in making retail sales to customers who personally visit the Facility.

1.05. The Agency has determined that the acquisition of a controlling interest in, and the renovation and equipping of the Project Facility and the subleasing of the same to the Company will promote and further the purposes of the Act.

1.06 On August 27, 2015, the Agency adopted a resolution (the "***Inducement Resolution***") agreeing, subject to the satisfaction of all conditions precedent set forth in such Resolution, to undertake the Project.

Article 2. Undertakings on the Part of the Agency. Based upon the statements, representations and undertakings of the Company and subject to the conditions set forth herein, the Agency agrees as follows:

2.01. The Agency confirms that it has authorized and designated the Company as the Agency's agent for acquiring, renovating and equipping the Project Facility.

2.02. The Agency will adopt, if necessary, such proceedings and authorize the execution of such Agency documents as may be necessary or advisable for: (i) acquisition of a controlling interest in the Project Facility; (ii) the leasing or subleasing of the Project Facility to the Company, all as shall be authorized by law and be mutually satisfactory to the Agency and the Company.

2.03 Nothing contained in this Agreement shall require the Agency to apply its funds to Project costs.

2.04. After satisfying the conditions precedent set forth in the Sections 2.02 hereof and in the Inducement Resolution, the Company may proceed with the renovation and equipping of the Project Facility and the utilization of and, as necessary, the appointment of Additional Agents.

2.05 The Agency will take or cause to be taken such other acts and adopt such further proceedings as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof. The Agency may in accordance with Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as “*SEQRA*”), undertake supplemental review of the Project. Such review to be limited to specific significant adverse environmental impacts not addressed or inadequately addressed in the Agency’s review under SEQRA that arise from changes in the proposed Project, newly discovered information or a change in the circumstances related to the Project.

Article 3. Undertakings on the Part of the Company. Based upon the statements, representations and undertakings of the Agency and subject to the conditions set forth herein, the Company agrees as follows:

3.01. (a) The Company shall indemnify and hold the Agency harmless from all losses, expenses, claims, damages and liabilities arising out of or based on labor, services, materials and supplies, including equipment, ordered or used in connection with the acquisition of a controlling interest in, renovation and equipping of the Project Facility (including any expenses incurred by the Agency in defending any claims, suits or actions which may arise as a result of any of the foregoing) whether such claims or liabilities arise as a result of the Company or Additional Agents acting as agent for the Agency pursuant to this Agreement or otherwise.

(b) The Company shall not permit to stand, and will, at its own expense, take all steps reasonably necessary to remove, any mechanics' or other liens against the Project Facility for labor or material furnished in connection with the acquisition, renovation and equipping of the Project Facility.

(c) The Company shall indemnify and hold the Agency, its members, officers, employees and agents and anyone for whose acts or omissions the Agency or any one of them may be liable, harmless from all claims and liabilities for loss or damage to property or any injury to or death of any person that may be occasioned subsequent to the date hereof by any cause whatsoever in relation to the Project, including any expenses incurred by the Agency in defending any claims, suits or actions which may arise as a result of the foregoing.

(d) The Company shall defend, indemnify and hold the Agency harmless from all losses, expenses, claims, damages and liabilities arising out of or based on the non-disclosure of information, if any, requested by the Company in accordance with Section 4.05 hereof.

(e) The defense and indemnities provided for in this Article 3 shall survive expiration or termination of this Agreement and shall apply whether or not the claim, liability, cause of action or expense is caused or alleged to be caused, in whole or in part, by the activities, acts, fault or negligence of the Agency, its members, officers, employees and agents, anyone under the direction and control of any of them, or anyone for whose acts or omissions the

Agency or any of them may be liable, and whether or not based upon the breach of a statutory duty or obligation or any theory or rule of comparative or apportioned liability, subject only to any specific prohibition relating to the scope of indemnities imposed by statutory law.

(f) The Company shall provide and carry: (i) worker's compensation and disability insurance as required by law; and (ii) comprehensive liability and property insurance with such coverages (including without limitation, owner's protective coverage for the benefit of the Agency, naming the Agency as an additional insured on all policies of coverage regarding the Project; providing the coverage with respect to the Agency be primary and non-contributory; and contractual coverage covering the indemnities herein provided for), with such limits and which such companies as may be approved by the Agency. Upon the request of the Agency, the Company shall provide certificates and/or policies of insurance in form satisfactory to the Agency evidencing such insurance.

(g) The Company shall include the Agency as a named insured under all public liability insurance policies obtained by the Company with respect to the Project Facility.

(h) The Company shall apply and diligently pursue all approvals, permits and consents from the State of New York, the City of Fulton, County of Oswego and any other governmental authority which approvals, permits and consents are required under applicable law for the development, renovation of the Project and any related site improvements. The Company acknowledges and agrees that the Agency's findings and determinations under SEQRA do not and shall not in and of themselves (except as specifically set forth in SEQRA) satisfy or be deemed to satisfy applicable laws, regulations, rules and procedural requirements applicable to such approvals, permits and consents.

3.02. The Company agrees that it will comply at the Company's sole cost and expense with all the requirements of all federal, state and local laws, rules and regulations of whatever kind and howsoever denominated applicable to the Agency and/or Company with respect to the Project Facility, the acquisition of a controlling interest therein, renovation and equipping thereof, the operation and maintenance of the Project Facility, supplemental review of adverse environmental impacts in accordance with SEQRA and the financing of the Project. Every provision required by law to be inserted herein shall be deemed to be set forth herein as if set forth in full; and upon the request of either party, this Agreement shall be amended to specifically set forth any such provision or provisions.

3.03. The Company agrees that, to the extent that such provisions of law are in fact applicable (without creating an obligation by contract beyond that which is created by statute), it will comply with all the requirements Section 220 of the Labor Law of the State of New York, as amended.

3.04. The Company will take such further action and adopt such further proceedings as may be required to implement its aforesaid undertakings or as it may deem appropriate in pursuance thereof.

3.05. The Company shall proceed with the acquisition, renovation and equipping of the Project Facility and advance such funds as may be necessary to accomplish such purposes.

3.06 The Company hereby ratifies and confirms its obligations to pay an administrative fee to the Agency in the amount of .75% of the Project costs. Such amount is due and payable in full at closing.

3.07 The Company hereby ratifies and confirms its obligations to pay an annual administrative reporting fee of \$500.00 to cover administrative and reporting requirements to comply with New York State reporting regulations on Agency assisted projects.

Article 4. General Provisions.

4.01. This Agreement shall take effect on the date of the execution hereof by the Agency and the Company and, subject to Section 4.04 hereof, shall remain in effect until the Lease Documents become effective. It is the intent of the Agency and the Company that, except as to those provisions that survive, this Agreement be superseded in its entirety by the Lease Documents.

4.02. It is understood and agreed by the Agency and the Company that the grant of Financial Assistance and the execution of the Lease Documents and related documents are subject to (i) payment by the Company of the Agency's fee and Agency's counsel fees; (ii) obtaining all necessary governmental approvals, permits and consents of any kind required in connection with the Project Facility; (iii) approval by the members of the Agency; (iv) approval by the Company; and iv) the condition that there are no changes in New York State Law, including regulations, which prohibit or limit the Agency from fulfilling its obligations hereunder.

4.03. The Company agrees that it will, within thirty (30) days of a written request for same, regardless of whether or not this matter closes or the Project Facility is completed: (i) reimburse the Agency for all reasonable and necessary expenses, including without limitation the fees and expenses of counsel to the Agency arising from, out of or in connection with the Project, and/or any documents executed in connection therewith, including, but not limited to any claims or actions taken by the Agency against the Company, Additional Agents or third parties; and (ii) indemnify the Agency from all losses, claims, damages and liabilities, in each case which the Agency may incur as a consequence of executing this Agreement or performing its obligations hereunder.

4.04. If for any reason the Lease Documents are not executed and delivered by the Company and the Agency on or before eighteen (18) months from the execution hereof, the provisions of this Agreement (other than the provisions of Articles 1.04, 2.02, 2.04, 3.01, 3.02, 3.03, 3.05, 4.02, 4.03, 4.04, 4.05 and 4.06, which shall survive) shall unless extended by agreement of the Agency and the Company, terminate and be of no further force or effect, and following such termination neither party shall have any rights against the other party except:

(a) The Company shall pay the Agency for all expenses incurred by

the Agency in connection with the acquisition, renovation and equipping of the Project Facility;

(b) The Company will pay the out-of-pocket expenses of members of the Agency, counsel for the Agency and special Agency counsel incurred in connection with the Project and will pay the fees of counsel for the Agency and special Agency counsel for legal services relating to the Project Facility, Additional Agents or the proposed financing thereof.

4.05. The Company acknowledges that Section 875(7) of the New York General Municipal Law (“GML”) requires the Agency to post on its website all resolutions and agreements relating to the Company’s appointment as an agent of the Agency or otherwise related to the Project, including this Agreement; and Article 6 of the New York Public Officers Law declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the Company feels that there are elements of the Project or information about the Company in the Agency’s possession which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the Company’s competitive position, the Company must identify such elements in writing, supply same to the Agency: (i) with respect to this Agreement, prior to or contemporaneously with the execution hereof; and (ii) with respect to all other agreements executed in connection with the Project, on or before the Closing Date, and request that such elements be kept confidential in accordance with Article 6 of the Public Officers Law. Failure to do so will result in the posting by the Agency of all information in accordance with Section 875 of the GML.

4.06 That every controversy, dispute or claim arising out of or relating to this Agreement shall be governed by the laws of the State of New York, without regard to its conflict-of-laws provisions that if applied might require the application of the laws of another jurisdiction; and that the Company irrevocably and expressly submits to the exclusive personal jurisdiction of the Supreme Court of the State of New York and the United States District Court for the Northern District of New York, to the exclusion of all other courts, for the purposes of litigating every controversy, dispute or claim arising out of or relating to this Agreement.

In Witness Whereof, the parties hereto have entered in this Agreement as of August 27, 2015.

**COUNTY OF OSWEGO INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
L. Michael Treadwell
Chief Executive Officer

OSWEGO COUNTY FEDERAL CREDIT UNION

By: _____
Name:
Title:

PILOT RESOLUTION

A regular meeting of the County of Oswego Industrial Development Agency was convened in public session on August 27, 2015 at 9:00 a.m., at 44 West Bridge Street, Oswego, New York.

The meeting was called to order by the Chair and, upon the roll being duly called, the following members were:

PRESENT: Nick Canale, Jr., Donald H. Kunzwiler, Carolyn A. Rush,
H. Leonard Schick, Morris Sorbello and Gary T. Toth

ABSENT: None

ALSO PRESENT: Kevin C. Caraccioli, David S. Dano and L. Michael
Treadwell

The following resolution was duly offered and seconded:

RESOLUTION APPROVING A PAYMENT IN LIEU OF TAX SCHEDULE AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION WITH A CERTAIN PROJECT UNDERTAKEN AT THE REQUEST OF THE COMPANY

WHEREAS, the County of Oswego Industrial Development Agency (the “*Agency*”) is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the “*State*”), as amended, together with Chapter 234 of the Laws of 1973 of the State of New York, as amended from time to time (collectively, 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, including industrial pollution control facilities, railroad facilities and certain horse racing facilities, for the purpose of promoting, attracting, encouraging and developing recreation and economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, 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, lease, and sell real property and grant financial assistance in connection with one or more “projects” (as defined in the Act) and to enter into agreements requiring payments in lieu of taxes; and

WHEREAS, Oswego County Federal Credit Union (the “*Company*”), submitted an application to the Agency on or about July 29, 2015, as thereafter updated (the “*Application*”), a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the “*Project*”) consisting of: (A) (i) the acquisition of a leasehold interest in approximately 0.517 acres of improved real property located at 707 4th Street South in the City of Fulton, New York, Oswego County (the “*Land*”); (ii) the renovation of an approximate 2,284 square foot building for use as office space (the “*Facility*”), located on the Land; (iii) the acquisition of and installation in the Facility of various machinery, equipment and furnishings (collectively the “*Equipment*”) (the Land, Facility and Equipment are hereinafter collectively referred to as the “*Project Facility*”); (B) the granting of certain financial assistance in the form of exemption from real property tax (collectively, the “*Financial Assistance*”); and (C) the lease of the Land and Facility by the Agency pursuant to a lease agreement; the acquisition of an interest in the Equipment pursuant to a bill of sale; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as “*SEQRA*”), the Agency is required to make a determination whether the “action” (as said quoted term is defined in SEQRA) to be taken by the Agency may have a “significant impact on the environment” (as said quoted term is utilized in SEQRA), and the preliminary agreement of the Agency to undertake of the Project constitutes such an action; and

WHEREAS, to aid the Agency in determining whether the Project may have a significant impact upon the environment, the Agency has examined the EAF prepared by the Company in order to classify the Project and has determined that the Project constitutes a “Type II” action as that term is defined under SEQRA, and therefore no further review is required; and

WHEREAS, on August 27, 2015 the Agency adopted a Resolution (the “*Inducement Resolution*”) undertaking the Project and appointing the Company as its agent for purposes of completing the Project Facility; and

WHEREAS, in the Application, the Company also requested that the Agency consider a payment in lieu of tax (“*PILOT*”) schedule, more fully described on Exhibit “A” attached hereto, and such schedule conforms with the Agency’s Uniform Tax Exemption Policy (“*UTEP*”) established pursuant to Section 874(4) of the Act for manufacturing facilities; and

WHEREAS, the Agency has given due consideration to the Application and to representations by the Company that the provision of Financial Assistance: (i) will induce the Company to develop the Project Facility in the City of Fulton, (ii) will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State of New York (the “*State*”) to another area of the State or in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act; (iii) undertaking the Project will create and/or preserve permanent private sector jobs in the State; and (iv) advance the health, general prosperity and economic

welfare of the people of the State.

NOW, THEREFORE, be it resolved by the members of the County of Oswego Industrial Development Agency, as follows:

Section 1. It is the policy of the State to promote the health, economic welfare, recreation opportunities and prosperity of its inhabitants and to actively promote, attract, encourage and develop recreation and economically sound commerce and industry for the purpose of preventing unemployment and economic deterioration. It is among the purposes of the Agency to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of certain facilities, including commercial facilities, and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their recreation opportunities, prosperity and standard of living.

Section 2. All prior resolutions adopted by the Agency are in full force and effect.

Section 3. Based upon the representations made by the Company to the Agency, and the reasons presented by the Company in support of its request for the PILOT schedule, as set forth in the **Exhibit "A"** attached hereto, the PILOT schedule is hereby approved. The Chief Executive Officer of the Agency is hereby authorized to execute and deliver a PILOT agreement and any related documents reflecting the PILOT schedule in a form substantially similar to PILOT agreements used in similar transactions with the Agency which is acceptable to the Chief Executive Officer upon advice of counsel.

Section 4. No covenant, stipulation, obligation or agreement contained in this resolution or any document referred to herein shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. Neither the members nor officers of the Agency, nor any person executing any documents referred to herein on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

Section 5. A copy of this Resolution shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

Section 6. The Chief Executive Officer of the Agency is hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution as well as all previously approved Resolutions.

Section 7. Counsel to the Agency and special Agency counsel are hereby authorized to work with the Company, and others to prepare, for submission to the Agency, all documents necessary to effect the grant of Financial Assistance, including, but not limited to, a PILOT agreement.

Section 8. This Resolution shall take effect immediately.

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

	<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>	<u>Recuse</u>
Nick Canale, Jr.	X				
Donald H. Kunzwiler	X				
Carolyn A. Rush	X				
H. Leonard Schick		X			
Morris Sorbello	X				
Gary T. Toth	X				

The resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) **SS.:**
COUNTY OF OSWEGO)

I, the undersigned Secretary of the County of Oswego Industrial Development Agency, Do Hereby Certify that (i) I have compared the annexed extract of the minutes of the meeting of the County of Oswego Industrial Development Agency (the “*Agency*”) held on August 27, 2015, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

I Further Certify that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

In Witness Whereof, I have hereunto set my hand and affixed the seal of the Agency on August 27, 2015.

L. Michael Treadwell
Chief Executive Officer

(SEAL)

EXHIBIT “A”

PILOT SCHEDULE

Oswego County Federal Credit Union
707 Fourth St. South, Fulton, NY 13069
Tax ID: 253.34-01-03.2

Non-Manufacturing UTEP: 10 Years
Base Assessed Value: \$330,000

UTEP Applies to Any Increase(s) in Assessment over the current “Base” Assessment of \$330,000.

<u>Year</u>	<u>Exemption Schedule</u>
1	60%
2	60%
3	50%
4	50%
5	40%
6	40%
7	30%
8	30%
9	20%
10	10%

PILOT payments will be equal to annual tax rate for \$330,000, plus the annual tax rate applied to the increase above the base assessed value in accordance with the exemption schedule.

FINAL APPROVING RESOLUTION

A regular meeting of the County of Oswego Industrial Development Agency was convened in public session on August 27, 2015, at 9:00 a.m., at 44 West Bridge Street, Oswego, New York.

The meeting was called to order by the Chair and, upon the roll being duly called, the following members were:

PRESENT: Nick Canale, Jr., Donald H. Kunzwiler, Carolyn A. Rush,
H. Leonard Schick, Morris Sorbello and Gary T. Toth

ABSENT: None

ALSO PRESENT: Kevin C. Caraccioli, David S. Dano and L. Michael
Treadwell

The following resolution was duly offered and seconded:

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION WITH A CERTAIN PROJECT UNDERTAKEN AT THE REQUEST OF THE COMPANY

WHEREAS, the County of Oswego Industrial Development Agency (the “*Agency*”) is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the “*State*”), as amended, together with Chapter 234 of the Laws of 1973 of the State of New York, as amended from time to time (collectively, 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, including industrial pollution control facilities, railroad facilities and certain horse racing facilities, for the purpose of promoting, attracting, encouraging and developing recreation and economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, 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 grant “financial assistance” (as defined in the Act) in connection with the acquisition, construction and equipping of one or more “projects” (as defined in the Act); and

WHEREAS, Oswego County Federal Credit Union (the “*Company*”), submitted an

application to the Agency on or about March 24, 2015 (the “*Application*”), a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the “*Project*”) consisting of: (A) (i) the acquisition of a leasehold interest in approximately 0.517 acres of improved real property located at 707 4th Street South in the City of Fulton, New York, Oswego County (the “*Land*”); (ii) the renovation of an approximate 2,284 square foot building for use as office space (the “*Facility*”), located on the Land; (iii) the acquisition of and installation in the Facility of various machinery, equipment and furnishings (collectively the “*Equipment*”) (the Land, Facility and Equipment are hereinafter collectively referred to as the “*Project Facility*”); (B) the granting of certain financial assistance in the form of exemption from real property tax (collectively, the “*Financial Assistance*”); and (C) the lease of the Land and Facility by the Agency pursuant to a lease agreement; the acquisition of an interest in the Equipment pursuant to a bill of sale; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, the Company also requested that the Agency consider a payment in lieu of tax (“*PILOT*”) schedule in accordance with the Agency’s Uniform Tax Exemption Policy (“*UTEF*”); and

WHEREAS, the Agency conducted a public hearing with respect to the Project and the proposed Financial Assistance on August 17, 2015 pursuant to Section 859-a of the Act, notice of which was published on August 6, 2015 in the Palladium Times, a newspaper of general circulation in the County of Oswego, New York and given to the chief executive officers of the affected tax jurisdictions by letter dated August 5, 2015; and

WHEREAS, the Agency adopted a resolution on July 31, 2015 (the “*Initial Resolution*”) entitled:

RESOLUTION DETERMINING THAT THE ACQUISITION, RENOVATION AND EQUIPPING OF A COMMERCIAL AND MANUFACTURING FACILITY AT THE REQUEST OF THE COMPANY CONSTITUTES A PROJECT; DESCRIBING THE FINANCIAL ASSISTANCE REQUESTED IN CONNECTION THEREWITH AND AUTHORIZING A PUBLIC HEARING

which resolution is in full force and effect and has not been amended or modified;

WHEREAS, the Agency adopted a resolution on August 27, 2015 (the “*Inducement Resolution*”) entitled:

RESOLUTION UNDERTAKING THE ACQUISITION, RENOVATION AND EQUIPPING OF A CERTAIN PROJECT, APPOINTING THE COMPANY AGENT OF THE AGENCY FOR THE PURPOSE OF THE ACQUISITION, RENOVATION AND EQUIPPING OF THE PROJECT; APPROVING FINANCIAL ASSISTANCE IN

THE FORM OF EXEMPTIONS FROM REAL PROPERTY TAX; AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT BETWEEN THE AGENCY AND THE COMPANY

which resolution is in full force and effect and has not been amended or modified;

WHEREAS, the Agency adopted a resolution on August 27, 2015 (the “*PILOT Resolution*”) entitled:

RESOLUTION APPROVING A PAYMENT IN LIEU OF TAX SCHEDULE AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION WITH A CERTAIN PROJECT UNDERTAKEN AT THE REQUEST OF THE COMPANY

which resolution is in full force and effect and has not been amended or modified.

NOW, THEREFORE, be it resolved by the members of the County of Oswego Industrial Development Agency, as follows:

Section 1. It is the policy of the State to promote the economic welfare, recreation opportunities and prosperity of its inhabitants and to actively promote, attract, encourage and develop recreation and economically sound commerce and industry for the purpose of preventing unemployment and economic deterioration. It is among the purposes of the Agency to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of certain facilities, including commercial facilities, and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their recreation opportunities, prosperity and standard of living.

Section 2. Based upon the representations and projections made by the Company to the Agency and after considering those representations, the Agency hereby makes the following determinations:

- a) Ratifies the findings in its Inducement and PILOT Resolutions.
- b) The granting of the Financial Assistance will be an inducement to the Company to develop the Project Facility in the City of Fulton, County of Oswego.
- c) The commitment of the Agency to provide Financial Assistance to the Company will enable the Company to renovate and equip the Project Facility, advance employment opportunities and ensure the continued physical and financial viability of the Project.
- d) The acquisition, renovation and equipping of the Project Facility will promote employment opportunities and help prevent economic deterioration in the City of

Fulton and County of Oswego by the creation and/or preservation of both full and part-time jobs.

- e) The renovation, equipping and operation of the Project Facility and the attendant promotion of the local economy will advance the job opportunities, health, prosperity and economic welfare of the people of the County of Oswego and the granting of the Financial Assistance is a necessary component to the financing of the Project.
- f) The Project will not result in the removal of any commercial, industrial or manufacturing plant or facility of the Company or of any other proposed occupant of the Project Facility from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act.

Section 3. Subject to the conditions set forth in Section 4.02 of the Agreement (as that term is defined in the Inducement Resolution) and the Inducement Resolution, the Agency will: (A) acquire a controlling interest in the Project Facility; (B) lease the Land and Facility from the Company pursuant to a lease agreement between the Agency and the Company (the “*Company Lease*”) and acquire an interest in the Equipment, if any, pursuant to a bill of sale from the Company (the “*Bill of Sale*”); and sublease the Project Facility to the Company, pursuant to a sublease agreement which shall be consistent with this resolution and approved by the Chief Executive Officer or (Vice) Chairperson of the Agency upon the advice of counsel to the Agency (the “*Agency Lease*” and together with the Bill of Sale and the Company Lease, the “*Lease Documents*”); (C) secure the Company’s borrowings, if any, with respect to the Project Facility, by joining in one or more construction or permanent mortgages on the Project Facility in favor of the Agency and/or Company’s lender(s), in such form and substance as shall be consistent with this resolution and approved by the Chief Executive Officer or (Vice) Chairperson of the Agency upon the advice of counsel to the Agency and pledging and assigning to such lender(s), if any, certain rights and remedies of the Agency under the sublease agreement by the execution and delivery of a pledge and assignment which shall be consistent with this resolution and approved by the Chief Executive Officer or (Vice) Chairperson of the Agency upon the advice of counsel to the Agency; (D) execute and deliver a payment in lieu of tax agreement (“*PILOT Agreement*”) providing for the payment schedule approved by the Agency pursuant to the PILOT Resolution, and (E) execute and deliver any other documents necessary to effectuate the transactions contemplated by and consistent with this Resolution upon the advice of counsel to the Agency.

Section 4. The Chief Executive Officer and/or (Vice) Chairperson are each hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver the documents and agreements identified herein and any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to herein and to do and cause to be done any such other acts and things, as they determine, on advice of counsel to the Agency, may be necessary or desirable to consummate the transactions contemplated by this

Resolution. The execution thereof by the Chief Executive Officer or (Vice) Chairperson shall constitute conclusive evidence of such approval.

Section 5. No covenant, stipulation, obligation or agreement contained in this Resolution or any document referred to above shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. Neither the members nor officers of the Agency, nor any person executing any documents referred to above on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

Section 6. A copy of this Resolution, together with the attachments hereto, shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

Section 7. The Chief Executive Officer of the Agency is hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 8. Counsel to the Agency and special Agency counsel are hereby authorized to work with the Company, and others to prepare, for submission to the Agency, all documents necessary to effect the grant of Financial Assistance and to consummate the transactions contemplated by this Resolution.

Section 9. This Resolution shall take effect immediately.

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

	<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>	<u>Recuse</u>
Nick Canale, Jr.	X				
Donald H. Kunzwiler	X				
Carolyn A. Rush	X				
H. Leonard Schick	X				
Morris Sorbello	X				
Gary T. Toth	X				

The resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) SS.:
COUNTY OF OSWEGO)

I, the undersigned Chief Executive Officer of the County of Oswego Industrial Development Agency, Do Hereby Certify that (i) I have compared the annexed extract of the minutes of the meeting of the County of Oswego Industrial Development Agency (the “*Agency*”) held on August 27, 2015, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

I Further Certify that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

In Witness Whereof, I have hereunto set my hand and affixed the seal of the Agency on August 27, 2015.

L. Michael Treadwell
Chief Executive Officer

(SEAL)

INITIAL RESOLUTION

A regular meeting of the County of Oswego Industrial Development Agency was convened in public session on August 27, 2015, at 9:00 a.m., at 44 West Bridge Street, Oswego, New York.

The meeting was called to order by the Chair and, upon the roll being duly called, the following members were:

PRESENT: Nick Canale, Jr., Donald H. Kunzwiler, Carolyn A. Rush,
H. Leonard Schick, Morris Sorbello and Gary T. Toth

ABSENT: None

ALSO PRESENT: Kevin C. Caraccioli, David S. Dano and L. Michael
Treadwell

The following resolution was duly offered and seconded:

RESOLUTION DETERMINING THAT THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION, RENOVATION AND EQUIPPING OF A COMMERCIAL FACILITY AT THE REQUEST OF THE COMPANY CONSTITUTES A PROJECT AND DESCRIBING THE FINANCIAL ASSISTANCE REQUESTED IN CONNECTION THEREWITH AND AUTHORIZING A PUBLIC HEARING

WHEREAS, the County of Oswego Industrial Development Agency (the “*Agency*”) is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the “*State*”), as amended, together with Chapter 234 of the Laws of 1973 of the State of New York, as amended from time to time (collectively, 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, including industrial pollution control facilities, railroad facilities and certain horse racing facilities, for the purpose of promoting, attracting, encouraging and developing recreation and economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, 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 grant “financial assistance” (as defined in the Act) in connection with the

acquisition, reconstruction and equipping of one or more “projects” (as defined in the Act); and

WHEREAS, Rochester Cornerstone Group, Ltd. and Oswego County Opportunities, Inc., on behalf of a for profit limited liability company to be formed (collectively, the “*Company*”), submitted an application to the Agency on or about August 19, 2015 (“*Application*”), a copy of which is on file at the office of the Agency, requesting the Agency consider undertaking a project (the “*Project*”) consisting of: (A) (i) the acquisition of a leasehold interest in approximately 5.37 acres of improved real property located at 164 City Line Road in the Town of Scriba, New York, Oswego County (the “*Land*”); (ii) the demolition of an existing building and the construction of seven (7) buildings for use as residential apartments and one (1) building for use as a clubhouse, each ranging in size between 3,000 square feet and 4,400 square feet (the “*Facility*”) all located on the Land; (iii) the acquisition of and installation in the Facility of various machinery, equipment and furnishings (collectively the “*Equipment*”) (the Land, Facility and Equipment are hereinafter collectively referred to as the “*Project Facility*”); (B) the granting of certain financial assistance in the form of exemption from real property tax, mortgage recording tax and State and local sales and use tax; and a loan from the Agency’s Economic Development Fund in an amount not to exceed \$300,000 (collectively, the “*Financial Assistance*”); and (C) the lease of the Land and Facility by the Agency pursuant to a lease agreement; the acquisition of an interest in the Equipment pursuant to a bill of sale; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as “*SEQRA*”), the Agency is required to make a determination with respect to the environmental impact of any “action” (as defined by SEQRA) to be taken by the Agency and the preliminary agreement of the Agency to undertake the Project constitutes such an action; and

WHEREAS, the grant of Financial Assistance to the Project is subject to the Agency finding after a public hearing pursuant to Section 859-a of the Act that the Project will serve the public purposes of the Act by promoting economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State or increasing the overall number of permanent, private sector jobs in the State; and

WHEREAS, the Agency has not approved undertaking the Project or the granting of the Financial Assistance; and

WHEREAS, the grant of Financial Assistance to the Project is subject to the Agency finding after a public hearing pursuant to Section 859-a of the Act that the Project will serve the public purposes of the Act by promoting economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State or increasing the overall number of permanent, private sector jobs in the State.

NOW, THEREFORE, be it resolved by the Members of the County of Oswego Industrial Development Agency as follows:

Section 1. Based upon the representations made by the Company to the Agency, the Agency hereby makes the following findings and determinations:

(a) The Project Facility constitutes a “project” within the meaning of the Act.

(b) The Financial Assistance contemplated with respect to the Project consists of exemptions from real property tax, mortgage recording tax, State and local sales and use taxation and a loan from the Agency’s Economic Development Fund in an amount not to exceed \$300,000.

Section 2. The Agency hereby directs that pursuant to Section 859-a of the Act, a public hearing with respect to the Project and Financial Assistance shall be scheduled with notice thereof published, and such notice shall further be sent to affected tax jurisdictions within which the Project is located.

Section 3. A copy of this Resolution shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

Section 4. The Chief Executive Officer of the Agency is hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 5. This Resolution shall take effect immediately.

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

	<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>	<u>Recuse</u>
Nick Canale, Jr.	X				
Donald H. Kunzwiler	X				
Carolyn A. Rush	X				
H. Leonard Schick	X				
Morris Sorbello	X				
Gary T. Toth		X			

The resolution was thereupon declared duly adopted.

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

I, the undersigned, Chief Executive Officer of the County of Oswego Industrial Development Agency, **DO HEREBY CERTIFY** that (i) I have compared the annexed extract of the minutes of the meeting of the County of Oswego Industrial Development Agency (the “*Agency*”) held on August 27, 2015, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency on August 27, 2015.

L. Michael Treadwell,
Chief Executive Officer

(SEAL)