

**Final Authorizing Resolution
Polce Management Group, LLC
Facility**

Transcript Document No. 10(a)

Date: April 24, 2020

At a meeting of the Oneida County Industrial Development Agency (the "Agency") held at 584 Phoenix Drive, Rome, New York 13441 on the 24th day of April 2020, the following members of the Agency were:

Members Present: Ferris Betrus, Michael Fitzgerald, David Grow*, Kirk Hinman, Mary Faith Messenger, Eugene Quadraro; Steve Zogby.

(* *David Grow excused himself from the meeting*)

After the meeting had been duly called to order, the Vice Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to proposed financial assistance to Polce Management Group, LLC (M.A. Polce Consulting Inc. Facility).

The following resolution was duly moved, seconded, discussed and adopted with the following members voting:

Voting Aye

F. Betrus
K. Hinman
M.F. Messenger
E. Quadraro
S. Zogby

Voting Nay

D. Grow was not present for voting or discussion pertaining to the action

RESOLUTION AUTHORIZING THE AGENCY TO EXECUTE THE LEASE AGREEMENT, THE LEASEBACK AGREEMENT, THE PAYMENT-IN-LIEU-OF-TAX AGREEMENT, THE ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION AGREEMENT, THE RECAPTURE AGREEMENT, THE LOAN DOCUMENTS AND RELATED DOCUMENTS AND MAKING CERTAIN FINDINGS WITH RESPECT TO THE POLCE MANAGEMENT GROUP, LLC (M.A. POLCE CONSULTING INC.) FACILITY LOCATED IN THE CITY OF ROME, ONEIDA COUNTY.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended and Chapter 372 of the Laws of 1970 of the State of New York (collectively, the "Act"), the Agency was created with the authority and power among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, Polce Management Group, LLC (the "Company") desires that the Agency assist in renovation of a 4,000± square foot office building (the "Existing Improvements") situated on a 1.606± acre parcel of land located at 401 Phoenix Drive, Griffiss Business and Technology Park, City of Rome, Oneida County New York (the "Land"), construction of a 6,750± square foot addition to the Existing Improvements (the "Addition" and together with the Existing Improvements, the "Improvements"), and the acquisition and installation of equipment in the Improvements (the "Equipment"), all for the purpose of providing a full-service managed Cybersecurity and Information Technology services (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the construction, renovation and equipping of the Improvements is referred to as the "Project"); and

WHEREAS, Adirondack Bank (the "Bank") intends to finance a portion of the costs of the Project by extending a loan to the Company in the principal sum of \$1,400,000.00 to be secured by a Mortgage (the "Mortgage") from the Agency and the Company to the Bank and such other documents the Bank determines to be necessary to secure its interest (the Mortgage and such other documents collectively, the "Loan Documents"); and

WHEREAS, in order to induce the Company to develop the Facility, the Agency is willing to acquire from the Company a leasehold interest in the Land, Improvements and Equipment constituting the Facility pursuant to the terms and conditions contained in a Lease Agreement (the "Lease Agreement") and lease said Land, Improvements and Equipment back to the Company pursuant to the terms and conditions contained in a Leaseback Agreement (the "Leaseback Agreement"); and

WHEREAS, the Company will sublease the Facility to M. A. Polce Consulting Inc. (the "Sublessee") for its operation pursuant to a sublease agreement (the "Sublease Agreement"); and

WHEREAS, the Agency by resolution duly adopted on March 25, 2020 (the "Inducement Resolution") decided to proceed under the provisions of the Act to lease the Facility and directed that a public hearing be held and enter into the Lease Agreement and Leaseback Agreement; and

WHEREAS, the Company represented to the Agency that the Project will result in the removal of the Company's facility located in the City of Utica, and that the Project is reasonably necessary to preserve the competitive position of the Company in its industry; and

WHEREAS, Pursuant to Section 859-a(5)(d) of the General Municipal Law, the Agency provided written notice to the chief executive officer of the City of Utica of the Agency's intention to provide financial assistance to the Company in furtherance of the Project;

WHEREAS, the Agency conducted a public hearing on April 14, 2020 and has received all comments submitted with respect to the proposed financial assistance and the nature and location of the Facility; and

WHEREAS, the proposed financial assistance (the "Financial Assistance") is more particularly described below:

- Sales and use tax exemption estimated at \$80,240 but not to exceed \$88,264
- Mortgage recording tax exemption estimated at \$10,500 but not to exceed \$12,000
- Exemptions from real property taxes, with provision for the Company to make fixed PILOT Payments for ten years, valued at approximately \$48,727

WHEREAS, the Financial Assistance is a deviation from the Agency's Uniform Tax Exemption Policy (the "Policy"); and

WHEREAS, notices of the Agency's intent to deviate from its Policy were delivered to affected taxing jurisdictions on April 17, 2020, describing the Financial Assistance and the Agency's justifications for deviating; and

WHEREAS, the Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities which may arise in connection with the Project and the Agency's leasehold interest in the Facility; and

NOW, THEREFORE, BE IT RESOLVED by the Oneida County Industrial Development Agency (a majority of the members thereof affirmatively concurring) as follows:

Section 1. The Agency hereby finds and determines:

(a) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(b) The Facility constitutes a "project", as such term is defined in the Act; and

(c) The acquisition, renovation and equipping of the Facility, the leasing of the Facility to the Company and the Agency's Financial Assistance with respect thereto, will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of Oneida County and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(d) The acquisition, renovation, equipping and financing of the Facility is reasonably necessary to induce the Company to maintain and expand its business operations in the State of New York and is reasonably necessary to preserve the competitive position of the Company in its industry; and

(e) Based upon representations of the Company and Company's Counsel, the Facility conforms with the local zoning laws and planning regulations of Oneida County and all regional and local land use plans for the area in which the Facility is located; and

(f) The SEQRA findings adopted by the Agency on April 24, 2020 encompassed the actions to be undertaken by this resolution and no changes have been made since that time to the proposed action that would create new or increased adverse environmental impacts; and

(g) It is desirable and in the public interest for the Agency to undertake the Project; and

(h) The Lease Agreement is an effective instrument whereby the Company grants the Agency a leasehold interest in the Facility; and

(i) The Leaseback Agreement is an effective instrument whereby the Agency leases the Facility back to the Company; and

(j) The Payment-in-Lieu-of-Tax Agreement (the "PILOT Agreement") between the Company and the Agency, in form satisfactory to the Chairman and Agency Counsel, will be an effective instrument whereby the Agency and the Company set forth the terms and conditions of their Agreement regarding the Company's payments in lieu of real property taxes; and

(k) The Environmental Compliance and Indemnification Agreement (the "Environmental Compliance and Indemnification Agreement") among the Company, the Sublessee and the Agency will be an effective instrument whereby the Company agrees to comply with all Environmental Laws (as defined therein) applicable to the Facility and will indemnify and hold harmless the Agency for all liability under all such Environmental Laws; and

(l) The Jobs Creation and Recapture Agreement (the "Recapture Agreement") among the Company, the Sublessee and the Agency will be an effective instrument whereby the Company agrees that the Financial Assistance is conditioned upon the Company creating, retaining and maintaining (or causing the Sublessee to create, retain and maintain) certain employment levels as a result of the Project; and

(m) The Loan Documents will be effective instruments whereby the Agency and the Company grant to the Bank a security interest in their respective interests in the Facility.

Section 2. In consequence of the foregoing, the Agency hereby determines to: (i) acquire a leasehold interest in the Facility pursuant to the Lease Agreement, (ii) execute, deliver and perform the Lease Agreement, (iii) lease the Facility back to the Company pursuant to the Leaseback Agreement, (iv) execute, deliver and perform the Leaseback Agreement, (v) execute, deliver and perform the PILOT Agreement, (vi) execute and deliver the Environmental Compliance and Indemnification Agreement, (vii) execute, deliver and perform the Recapture Agreement, (viii) execute, deliver and perform the Loan Documents, and (ix) deviate from its Policy to provide the Financial Assistance to the Company in support of the Project.

Section 3. The Agency is hereby authorized to acquire a leasehold interest in the real property described in Exhibit A to the Lease Agreement and the personal property described in Exhibit B to the Lease Agreement and to do all things necessary or appropriate for the

accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

Section 4. The form and substance of the Lease Agreement, the Leaseback Agreement, the Environmental Compliance and Indemnification Agreement, the Recapture Agreement and the PILOT Agreement (each in substantially the forms presented to the Agency and which, prior to the execution and delivery thereof, may be redated) are hereby approved. The form and substance of the Loan Documents are hereby approved, subject to the inclusion of the Agency's standard financing provisions and subject to counsel review.

Section 5.

(a) The Vice Chairman, Treasurer, Secretary or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Lease Agreement, the Leaseback Agreement, the Environmental Compliance and Indemnification Agreement, the Recapture Agreement, the PILOT Agreement and the Loan Documents, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Vice Chairman, Treasurer, Secretary or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Vice Chairman, Treasurer and Agency Counsel, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the "Closing Documents"). The execution thereof by the Vice Chairman, Treasurer, Secretary or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Vice Chairman, Treasurer, Secretary or member of the Agency are further hereby authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Leaseback Agreement).

Section 6. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Closing Documents, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Closing Documents binding upon the Agency.

Section 7. This resolution shall take effect immediately.

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

I, the undersigned Secretary of the Oneida County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY:

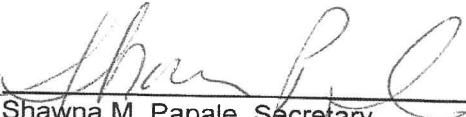
That I have compared the annexed extract of the minutes of the meeting of the Agency, including the resolutions contained therein, held on the 24th day of April 2020 with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

That the Lease Agreement, the Leaseback Agreement, the Environmental Compliance and Indemnification Agreement, the Recapture Agreement, the PILOT Agreement, and the Loan Documents contained in this transcript of proceedings are each in substantially the form presented to the Agency and/or approved by said meeting.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of said meeting, (ii) because of the Novel Coronavirus (COVID-19) Emergency and State and Federal bans on large meetings or gatherings and pursuant to Governor Cuomo's Executive Order 220.1 issued on March 12, 2020 suspending the Open Meetings Law, the meeting was held electronically via conference call instead of a public meeting open for the public to attend in person, and members of the public were provided with call-in information to listen to the meeting and minutes of the Agency meeting are (or will be) transcribed and posted on the Agency's website, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand as of this ____ day of July 2020.

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Shawna M. Papale, Secretary