

Jefferson County Industrial Development Agency
800 Starbuck Avenue, Suite 800
Watertown, New York 13601
Telephone: (315) 782-5865 or (800) 553-4111 Facsimile (315) 782-7915
www.jcida.com

Notice of Board Meeting

Date: October 24, 2019

To: Chairman David Converse
John Jennings
Robert Aliasso
W. Edward Walldroff
Paul Warneck
William Johnson
Lisa L'Huillier

From: Donald C. Alexander

Re: Notice of Board of Directors' Meeting

The Jefferson County Industrial Development Agency will hold their Board Meeting on **Thursday, November 7, 2019 at 8:30 a.m.** in the board room at 800 Starbuck Avenue, Watertown, NY.

Please confirm your attendance with Peggy Sampson pssampson@jcida.com at your earliest convenience.

pss

c: David Zembiec
Lyle Eaton
Joseph Russell, Esq.
Media

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REVISED BOARD MEETING AGENDA

Thursday, November 7, 2019 - 8:30 a.m.

- I. Call to Order**
- II. Pledge of Allegiance**
- III. Privilege of the Floor**
- IV. Minutes of the Meeting of October 3, 2019**
- V. Treasurer's Report – as of October 31, 2019**
- VI. Committee Reports**
 - a. Audit Committee**
 - i. Consider Resolution Number 11.07.2019.01 to Engage Bowers and Company for the 2018-2019 Audit**
 - b. Loan Review Committee**
 - i. Consider Resolution Number 11.07.2019.02 for RBM Manufacturing Corp.**
- VII. Unfinished Business**
- VIII. New Business**
- IX. Counsel**
 - 1. Consider Joinder by and Agreement of Agency for Preserve at Autumn Ridge I and II LLC**
 - 2. Consider Environmental Resolution Number 11.07.2019.03 for Oswego Beverage Company LLC (Eagle Beverage)**
 - 3. Consider Inducement Resolution Number 11.07.2019.04 for Oswego Beverage Company LLC (Eagle Beverage)**
 - 4. Consider Preliminary Agreement with Oswego Beverage Company LLC (Eagle Beverage)**
 - 5. Consider Authorizing Resolution Number 11.07.2019.0 for OYA**
- X. Adjournment**

Jefferson County Industrial Development Agency
Annual Board Meeting Minutes
October 3, 2019

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The Jefferson County Industrial Development Agency held their annual board meeting on Thursday, October 3, 2019 in the board room at 800 Starbuck Avenue, Watertown, NY.

Present: David Converse, Chair, John Jennings, Paul Warneck, Robert E. Aliasso, Jr., W. Edward Walldroff, Lisa L'Huillier

Also Present: Joseph Russell, Esq., Christine Powers, Kent Burto, Rich Duvall, Francis Tom Iorizzo, Denise Young, Kevin Jordan, and Marcus Wolf from the Watertown Daily Times

Staff Present: Donald Alexander, David Zembiec, Lyle Eaton, Peggy Sampson, Marshall Weir, Jay Matteson

Excused: William Johnson

Absent: None

I. Call to Order: Chairman Converse called the meeting to order at 8:46 a.m.

II. Executive Session: Mr. Warneck proposed amending the agenda to go into executive session to discuss the potential sale and contract negotiations for the sale of real property. Mr. Warneck moved, and Mr. Aliasso seconded. All in favor. Board Members, LDC Board Members (Powers, Burto, and Duvall), Staff, and Counsel remained. Denise Young and Kevin Jordan joined the executive session.

Ms. Young and Mr. Jordan left during executive session.

At 9:56 a.m. a motion was made by Mr. Aliasso to leave executive session, seconded by Mr. Warneck. All in favor. Carried.

At 9:58 a.m. a motion was made by Mr. Converse to adjourn the meeting to finish the JCLDC board meeting. Mr. Aliasso moved, and Ms. L'Huillier seconded. All in favor. Carried.

III. Reconvene: Mr. Converse called the meeting back to order at 10:15 a.m.

IV. Privilege of the Floor: Mr. Converse invited guests to speak. No one spoke.

V. Minutes: Minutes of the regular meeting held September 5, 2019 were presented. A motion to approve the minutes as presented was made by Mr. Aliasso, seconded by Mr. Jennings. All in favor. Carried.

VI. Treasurer's Report: Mr. Aliasso reviewed the financials for the period ending September 30, 2019 along with the delinquent loans. Mr. Eaton advised the board of the new report that he will supply monthly relating to expenditures at 146 Arsenal Street, Watertown. After discussion, a motion was made by Mr. Aliasso to accept the financial reports as presented, seconded by Mr. Jennings. All in favor. Carried.

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VII. Committee Reports:

a. Governance Committee

- i. Resolution Number 10.03.2019.01 for Annual Internal Policy and Procedure Review** – Mr. Walldroff said that the committee met in September to review the bylaws, mission statement, policies and procedures. After review and discussion, a motion was made by Mr. Walldroff to approve the attached resolution as presented, seconded by Mr. Warneck. All in favor. Carried.

b. Nominating Committee

- i. Resolution Number 10.03.2019.02 for Election of Officers for 2019-2020 FY** – Ms. L'Huillier said that the committee met on September 12 to nominate officers for the new fiscal year. She said that the current slate of officers agreed to serve another year. She also said that Mr. Aliasso has expressed interest in being reappointed after his term expires at the end of this year. She said that staff should inform the County Legislature. After review and discussion, a motion was made by Ms. L'Huillier to approve the attached resolution as presented, seconded by Mr. Jennings. All in favor. Carried.

- c. Loan Review Committee** – Mr. Aliasso said that the committee met to review the proposed Hi-Lite project. He said resolution will be considered later in the meeting.

VIII. Unfinished Business: None.

IX. New Business:

- 1. Resolution Number 10.03.2019.03 to charge off Administrative Services Billing to In-Kind Services** – After review and discussion, a motion was made by Mr. Aliasso to approve the attached resolution as presented, seconded by Mr. Warneck. All in favor. Carried.
- 2. Concentrix (146 Arsenal Street, Watertown) Deck Replacement Bid Results** – A motion was made by Mr. Aliasso to table the resolution until the Building and Grounds Committee gathers more information, seconded by Mr. Warneck. All in favor. Carried.

X. Counsel:

- 1. Environmental Resolution Number 10.03.2019.04 for Hi-Lite Properties, LLC** – After review and discussion, a motion was made by Mr. Warneck to approve the attached resolution as presented, seconded by Mr. Aliasso. Discussion ensued. Mr. Aliasso asked if it is an issue if the name of the applicant is different than that of the applicant listed on the application. Attorney Russell said that it doesn't matter for the environmental resolution as long as the property is identified correctly. Roll call vote was taken. Mr. Converse – Yea, Mr. Jennings – Yea, Mr. Aliasso – Yea, Mr. Walldroff – Yea, Mr. Warneck – Yea, Mr. Johnson – Absent, and Ms. L'Huillier – Yea. Carried.

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2. **Authorizing Resolution Number 10.03.2019.05 for Hi-Lite Properties, LLC and Coffeen Street Properties, LLC** – After review and discussion, a motion was made by Mr. Aliasso to approve the attached resolution as presented, seconded by Mr. Jennings. Roll call vote was taken. Mr. Converse – Yea, Mr. Jennings – Yea, Mr. Aliasso – Yea, Mr. Walldroff – Yea, Mr. Warneck – Yea, Mr. Johnson – Absent, and Ms. L’Huillier – Yea. Carried.
3. **Environmental Resolution Number 10.03.2019.06 for OYA** – A motion was made by Mr. Walldroff to approve the attached resolution as presented, seconded by Mr. Warneck. Discussion ensued. Mr. Warneck pointed out that OYA went through the process at the Town level and they did not include the IDA as an involved agency. He wanted to know if this satisfies the fact that they left us out. Attorney Russell said yes because we are adopting the results that were coordinated through the Town of Orleans. Mr. Aliasso wanted to know if the project should be described using AC or DC. Attorney Russell responded by saying that it doesn’t have any bearing on this resolution.

Ms. L’Huillier said she has a comment. She said that she is on the county planning board and the OYA projects have already come before the board for site plan review so she believes that she needs to recuse herself from these votes because she thinks it may be a conflict of interest. Attorney Russell noted that it has already been completed and the site plan reviews at the county and town levels have been done for months now. He said that there is no action that she can take here or there that would impact the other, so he doesn’t think it’s a conflict.

Roll call vote was taken. Mr. Converse – Yea, Mr. Jennings – Yea, Mr. Aliasso – Yea, Mr. Walldroff – Yea, Mr. Warneck – Yea, Mr. Johnson – Absent, and Ms. L’Huillier – Yea. Carried.

4. **Preliminary Inducement Resolution Number 10.03.2019.07 for OYA** – After review and discussion, a motion was made by Mr. Aliasso to approve the attached resolution as presented, seconded by Mr. Jennings. Roll call vote was taken. Mr. Converse – Yea, Mr. Jennings – Yea, Mr. Aliasso – Yea, Mr. Walldroff – Yea, Mr. Warneck – Yea, Mr. Johnson – Absent, and Ms. L’Huillier – Yea. Carried.
5. **Preliminary Agreement with OYA** – After review and discussion, a motion was made by Mr. Aliasso to approve the attached resolution as presented, seconded by Mr. Jennings. All in favor. Carried.

Other –

146 Arsenal Street, Watertown – Mr. Alexander advised the board that we have successfully completed the transition from Concentrix to the IDA. He said that the building is fully insured and has security systems in place and is secure 24 hour a day. He said that he hired a part time employee (Gerald B. “Jerry” Countryman) to work at his behest during the course of the week and when he is not there, we are covered by a certified security firm. He noted that the National Grid accounts have been switched over and indicated that he has been working with Washington Street Properties for a smooth transition due to the shared common areas of the building. He also noted that we recently paid the City of Watertown \$20,000 for

Jefferson County Industrial Development Agency
Annual Board Meeting Minutes
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plowing per the contract. He said that internet and an email system is being set up. He said that Lyle will keep a separate monthly report for all of the activities at the building.

Mr. Aliasso left the meeting at 10:37 a.m.

Mr. Alexander said that the WIC Property Maintenance Agreement is still in place and noted that they will continue to maintain the common areas. Mr. Warneck asked if staff can estimate the costs for us to maintain the building over the next six months.

Ms. Powers left the meeting at 10:39 a.m.

- XI. Adjournment:** With no further business before the board, a motion to adjourn was made by Ms. L'Huillier, seconded by Mr. Warneck. All in favor. The meeting adjourned at 10:42 a.m.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Resolution Number 10.03.2019.01
For Annual Internal Policy and Procedure Review

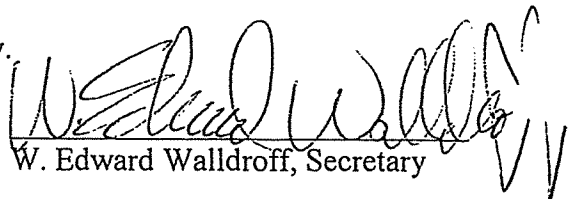
WHEREAS, on September 12, 2019 the JCIDA Governance Committee met to review the current policies and procedures. After review and discussion, they recommended the following internal policies for the Board's consideration:

- Bylaws
- Mission Statement & Performance Measurements
- Adaptive Reuse Determination
- Audit and Finance Committee Charter
- CEO and CFO Annual Report Certification
- Certification of No Conflict of Interest & Jeff Co Financial Disclosure Form
- Code of Ethics
- Compensation, Reimbursement and Attendance Policy
- Defense and Indemnification Policy
- Discretionary Funds Policy
- Disposition of Real Property Guidelines
- Equal Employment Opportunity Policy
- Evaluative Criteria Project Type Listing and Matrix
- Extension of Credit to Board Members and Officers
- Fixed Asset Policy
- Governance Committee Charter
- Independent Director Certification
- Investment Policy with Internal Controls
- Lending/Collection Policy and Procedures
- Policy Regarding Possession and Use of Electronic Devices
- Post Issuance Compliance Procedures
- Procurement Policy
- Real Property Acquisition Guidelines
- Recapture Policy and flow chart
- Records Retention and Disposition Schedule MI-1
- Rules for Public Hearings Conducted by the Agency
- Travel Policy
- Uniform Guidance – Internal Controls
- Uniform Tax Exemption Policy
- Whistleblower Policy

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Jefferson County Industrial Development Agency that it herein approves the above internal policies and procedures as set forth in this Resolution, and be it further,

RESOLVED, that the Chairman, Vice Chairman, Secretary, and/or Chief Executive Officer are authorized and directed to execute any and all documents necessary to carry out the purposes of this Resolution.

This resolution shall take effect immediately.


W. Edward Walldroff, Secretary

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Resolution Number 10.03.2019.02
For Election of Officers

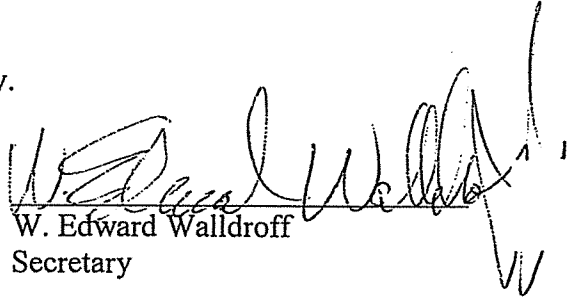
WHEREAS, the Nominating Committee met on September 12, 2019 and recommended the current slate of officers for the 2018-2019 fiscal year:

Chairman	David J. Converse
Vice Chairman	John Jennings
Treasurer	Robert E. Aliasso, Jr.
Secretary	W. Edward Walldroff, and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Jefferson County Industrial Development Agency that it herein approves the slate of officers as set forth in this Resolution, and be it further,

RESOLVED, that the Chairman, Vice Chairman, Secretary, and/or Chief Executive Officer are authorized and directed to execute any and all documents necessary to carry out the purposes of this Resolution.

This resolution shall take effect immediately.


W. Edward Walldroff
Secretary

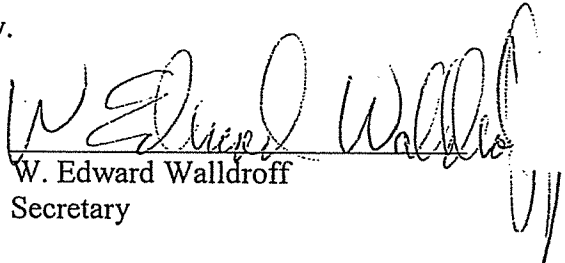
JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Resolution Number 10.03.2019.03
Authorize Charge Off of Administrative Services Billing to In-Kind Services

WHEREAS, CFO Lyle Eaton recommended charging of \$298,512 for the administrative services billing to in-kind services ending 9/30/19, and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Jefferson County Industrial Development Agency that it herein approves the recommendation as set forth in this Resolution, and be it further,

RESOLVED, that the Chairman, Vice Chairman, Secretary, and/or Chief Executive Officer are authorized and directed to execute any and all documents necessary to carry out the purposes of this Resolution.

This resolution shall take effect immediately.


W. Edward Walldroff
Secretary

ENVIRONMENTAL RESOLUTION

A meeting of Jefferson County Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency located at 800 Starbuck Avenue in the City of Watertown, Jefferson County, New York on October 3, 2019, at 8:30 o'clock a.m., local time.

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

PRESENT: David Converse, John Jennings, Robert E. Aliasso, Jr., W. Edward Walldroff, Paul Warneck, Lisa L'Huillier

ABSENT: William Johnson

FOLLOWING PERSONS WERE ALSO PRESENT: Donald Alexander, David Zembiec, Lyle Eaton, Peggy Sampson, Jay Matteson, Marshall Weir, Christine Powers, Joseph Russell, Esq., Francis Tom Iorizzo, and Marcus Wolf from the Watertown Daily Times

The following resolution was offered by Mr. Warneck, seconded by Mr. Aliasso, to wit:

Resolution No. 10.03.2019.04

RESOLUTION DETERMINING THAT ACTION TOWARD THE ACQUISITION, RENOVATION, INSTALLATION AND LEASING OF A CERTAIN COMMERCIAL PROJECT FOR HI-LITE PROPERTIES, LLC("HI-LITE") WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.

WHEREAS, Jefferson 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 369 of the 1971 Laws of New York, as amended, constituting Section 892-e 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 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, Hi-lite has presented an application (the "Application") to the Agency, a copy of which was presented at this meeting and copies of which are on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") consisting of the following: (A) (1) the acquisition of an interest in land located at 20128 NY 12-F Watertown, New York (the "Land") and the existing building thereon (the "Existing Facility"), the renovation and expansion of the Existing Facility (the Land, the Existing Facility, and the Equipment being collectively referred to as the "Project Facility"), such Project Facility to be used expand and equip the current maintenance facility; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including exemption from certain sales and use taxes, and mortgage recording taxes (except as limited by Section 874 of the Act) (the "Financial Assistance") and; (C) the lease (with an obligation to purchase) or sale of the Project Facility to Hi-Lite or such other person as may be designated by Hi-Lite and agreed upon by the Agency; and

WHEREAS, the Agency is a local agency pursuant to the New York State Environmental Quality Review Act ("SEQRA"), ECL Section 8-0101, *et seq.*, and implementing regulations, 6 NYCRR Part 617 (the "Regulations"); and

WHEREAS, undertaking the Project is an Action as defined by SEQRA; and

WHEREAS, a short-form Environmental Assessment Form ("EAF"), dated September 18, 2019, was submitted to the Agency to facilitate a review of the potential environmental impacts of the Project; and

WHEREAS, the Agency has considered the Project and the EAF, together with the Agency's knowledge of the area surrounding the Project, and such further information as is available to the Agency; and

WHEREAS, the Agency has reviewed the classifications of actions contained in the Regulations; and

WHEREAS, the Agency has determined that the Action is an Unlisted Action, as that term is defined in the Regulations, and that coordinated environmental review is not required under SEQRA; and

WHEREAS, the Agency has applied the criteria for determining significance contained in 6 NYCRR Part 617 in order to determine whether the Project may result in a significant environmental impact; and

WHEREAS, the Agency has determined that the Project will not result in a significant environmental impact;

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

Section 1. The Project is an Unlisted Action pursuant to SEQRA.

Section 2. The Agency assumed responsibility as Lead Agency for its own uncoordinated environmental review of the Project.

Section 3. The Project will not result in a significant adverse environmental impact.

Section 4. Preparation of an Environmental Impact Statement is not required.

Section 5. The basis for this determination is set forth in Part 2 of the Environmental Assessment Form, attached as Attachment A hereto and incorporated by reference herein.

Section 6. A Negative Declaration of significant adverse environmental impact shall be prepared, filed, distributed and published in accord with 6 NYCRR shall be filed at the Agency as required by 6 NYCRR Section 617.12(b)(2).

Section 7. This resolution shall take effect immediately.

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

David J. Converse	VOTING	YEA
John Jennings	VOTING	YEA
Robert E. Aliasso, Jr.	VOTING	YEA
W. Edward Walldroff	VOTING	YEA
Paul Warneck	VOTING	YEA
William Johnson	VOTING	ABSENT
Lisa L'Huillier	VOTING	YEA

The foregoing Resolution was thereupon declared duly adopted.

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

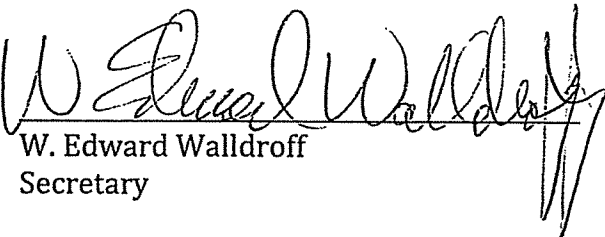
I, the undersigned Chief Executive Officer of the Jefferson County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY, that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on October 3, 2019, with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Agency and of such Resolution set forth therein and of the whole of said original so far as the same related to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respect duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public and due notice of the time and place of said meeting was given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present through said meeting.

I 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, I have hereunto set my hand and affixed the seal of the Agency this 3rd day of October, 2019




W. Edward Walldroff
Secretary

Short Environmental Assessment Form

Part 1 - Project Information

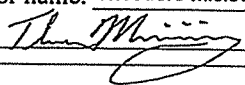
Instructions for Completing

Part 1 - Project Information. The applicant or project sponsor is responsible for the completion of Part 1. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification. Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information.

Complete all items in Part 1. You may also provide any additional information which you believe will be needed by or useful to the lead agency; attach additional pages as necessary to supplement any item.

Part 1 - Project and Sponsor Information			
Name of Action or Project: Hi-Lite Properties			
Project Location (describe, and attach a location map): 20128 State Route 12F - Watertown, NY			
Brief Description of Proposed Action: Addition of a 20ft bay on the north side of the existing shop and the construction of a 80'x80' storage building in the rear of the property			
Name of Applicant or Sponsor: Hi-Lite Properties		Telephone: 315-583-6111	
		E-Mail: thoe.misiewicz@hi-lite.com	
Address: 18249 Hi-Lite Drive			
City/PO: Adams Center		State: NY	Zip Code: 13606
1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation? If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2.			NO <input checked="" type="checkbox"/>
			YES <input type="checkbox"/>
2. Does the proposed action require a permit, approval or funding from any other governmental Agency? If Yes, list agency(s) name and permit or approval:			NO <input type="checkbox"/>
			YES <input checked="" type="checkbox"/>
3.a. Total acreage of the site of the proposed action? 11.43 acres			
b. Total acreage to be physically disturbed? _____ acres			
c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor? 11.43 acres			
4. Check all land uses that occur on, adjoining and near the proposed action. <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Rural (non-agriculture) <input type="checkbox"/> Industrial <input checked="" type="checkbox"/> Commercial <input checked="" type="checkbox"/> Residential (suburban) <input type="checkbox"/> Forest <input checked="" type="checkbox"/> Agriculture <input type="checkbox"/> Aquatic <input type="checkbox"/> Other (specify): _____ <input type="checkbox"/> Parkland			

5. Is the proposed action, a. A permitted use under the zoning regulations?	NO <input type="checkbox"/>	YES <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
b. Consistent with the adopted comprehensive plan?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Is the proposed action consistent with the predominant character of the existing built or natural landscape?	NO <input type="checkbox"/>	YES <input checked="" type="checkbox"/>	
7. Is the site of the proposed action located in, or does it adjoin, a state listed Critical Environmental Area? If Yes, identify: _____	NO <input checked="" type="checkbox"/>	YES <input type="checkbox"/>	
8. a. Will the proposed action result in a substantial increase in traffic above present levels?	NO <input checked="" type="checkbox"/>	YES <input type="checkbox"/>	
b. Are public transportation service(s) available at or near the site of the proposed action?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
c. Are any pedestrian accommodations or bicycle routes available on or near site of the proposed action?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
9. Does the proposed action meet or exceed the state energy code requirements? If the proposed action will exceed requirements, describe design features and technologies: _____	NO <input type="checkbox"/>	YES <input checked="" type="checkbox"/>	
10. Will the proposed action connect to an existing public/private water supply? If No, describe method for providing potable water: _____	NO <input type="checkbox"/>	YES <input checked="" type="checkbox"/>	
11. Will the proposed action connect to existing wastewater utilities? If No, describe method for providing wastewater treatment: _____	NO <input type="checkbox"/>	YES <input checked="" type="checkbox"/>	
12. a. Does the site contain a structure that is listed on either the State or National Register of Historic Places?	NO <input checked="" type="checkbox"/>	YES <input type="checkbox"/>	
b. Is the proposed action located in an archeological sensitive area?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
13. a. Does any portion of the site of the proposed action, or lands adjoining the proposed action, contain wetlands or other waterbodies regulated by a federal, state or local agency?	NO <input type="checkbox"/>	YES <input checked="" type="checkbox"/>	
b. Would the proposed action physically alter, or encroach into, any existing wetland or waterbody? If Yes, identify the wetland or waterbody and extent of alterations in square feet or acres: _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
14. Identify the typical habitat types that occur on, or are likely to be found on the project site. Check all that apply: <input type="checkbox"/> Shoreline <input type="checkbox"/> Forest <input checked="" type="checkbox"/> Agricultural/grasslands <input type="checkbox"/> Early mid-successional <input type="checkbox"/> Wetland <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban			
15. Does the site of the proposed action contain any species of animal, or associated habitats, listed by the State or Federal government as threatened or endangered?	NO <input type="checkbox"/>	YES <input checked="" type="checkbox"/>	
16. Is the project site located in the 100 year flood plain?	NO <input checked="" type="checkbox"/>	YES <input type="checkbox"/>	
17. Will the proposed action create storm water discharge, either from point or non-point sources? If Yes, a. Will storm water discharges flow to adjacent properties? <input type="checkbox"/> NO <input type="checkbox"/> YES b. Will storm water discharges be directed to established conveyance systems (runoff and storm drains)? If Yes, briefly describe: _____ _____	NO <input checked="" type="checkbox"/>	YES <input type="checkbox"/>	

18. Does the proposed action include construction or other activities that result in the impoundment of water or other liquids (e.g. retention pond, waste lagoon, dam)? If Yes, explain purpose and size: _____	NO	YES
_____	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility? If Yes, describe: _____	NO	YES
_____	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste? If Yes, describe: _____	NO	YES
_____	<input checked="" type="checkbox"/>	<input type="checkbox"/>
I AFFIRM THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE Applicant/sponsor name: <u>Theodore Misiewicz, CFO</u> Date: <u>9/18/19</u> Signature: <u></u>		

PRINT FORM

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Agency Use Only [If applicable]

Project:	Hi-Lite Airfield Services
Date:	October 3, 2019

***Short Environmental Assessment Form
Part 2 - Impact Assessment***

Part 2 is to be completed by the Lead Agency.

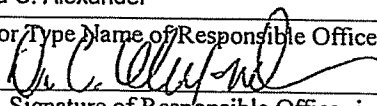
Answer all of the following questions in Part 2 using the information contained in Part 1 and other materials submitted by the project sponsor or otherwise available to the reviewer. When answering the questions the reviewer should be guided by the concept "Have my responses been reasonable considering the scale and context of the proposed action?"

	No, or small impact may occur	Moderate to large impact may occur
1. Will the proposed action create a material conflict with an adopted land use plan or zoning regulations?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Will the proposed action result in a change in the use or intensity of use of land?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Will the proposed action impair the character or quality of the existing community?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Will the proposed action have an impact on the environmental characteristics that caused the establishment of a Critical Environmental Area (CEA)?	<input type="checkbox"/>	<input type="checkbox"/>
5. Will the proposed action result in an adverse change in the existing level of traffic or affect existing infrastructure for mass transit, biking or walkway?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Will the proposed action cause an increase in the use of energy and it fails to incorporate reasonably available energy conservation or renewable energy opportunities?	<input type="checkbox"/>	<input type="checkbox"/>
7. Will the proposed action impact existing: a. public / private water supplies?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. public / private wastewater treatment utilities?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Will the proposed action impair the character or quality of important historic, archaeological, architectural or aesthetic resources?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Will the proposed action result in an adverse change to natural resources (e.g., wetlands, waterbodies, groundwater, air quality, flora and fauna)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Will the proposed action result in an increase in the potential for erosion, flooding or drainage problems?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Will the proposed action create a hazard to environmental resources or human health?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

PRINT FORM

Short Environmental Assessment Form Part 3 Determination of Significance

For every question in Part 2 that was answered "moderate to large impact may occur", or if there is a need to explain why a particular element of the proposed action may or will not result in a significant adverse environmental impact, please complete Part 3. Part 3 should, in sufficient detail, identify the impact, including any measures or design elements that have been included by the project sponsor to avoid or reduce impacts. Part 3 should also explain how the lead agency determined that the impact may or will not be significant. Each potential impact should be assessed considering its setting, probability of occurring, duration, irreversibility, geographic scope and magnitude. Also consider the potential for short-term, long-term and cumulative impacts.

<input type="checkbox"/> Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action may result in one or more potentially large or significant adverse impacts and an environmental impact statement is required.	
<input checked="" type="checkbox"/> Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action will not result in any significant adverse environmental impacts.	
Jefferson County Industrial Development Agency _____ Name of Lead Agency	October 3, 2019 _____ Date
Donald C. Alexander _____ Print or Type Name of Responsible Officer in Lead Agency	Chief Executive Officer _____ Title of Responsible Officer
 _____ Signature of Responsible Officer in Lead Agency	David J. Zembiec, Deputy CEO _____ Signature of Preparer (if different from Responsible Officer)

PRINT FORM

AUTHORIZING RESOLUTION

A meeting of Jefferson County Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency at 800 Starbuck Avenue, in the City of Watertown, Jefferson County, New York on October 3, 2019 at 8:30 a.m., local time.

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

PRESENT: David Converse, John Jennings, Robert E. Aliasso, Jr., W. Edward Walldroff, Paul Warneck, Lisa L'Huillier

ABSENT: William Johnson

FOLLOWING PERSONS WERE ALSO PRESENT: Donald Alexander, David Zembiec, Lyle Eaton, Peggy Sampson, Jay Matteson, Marshall Weir, Christine Powers, Joseph Russell, Esq., Francis Tom Iorizzo, and Marcus Wolf from the Watertown Daily Times

The following resolution was offered by Mr. Aliasso, seconded by Mr. Jennings, to wit;

Resolution No.: 10.03.2019.05

RESOLUTION OF THE JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD THE LEASE-LEASEBACK TRANSACTION WITH HI-LITE PROPERTIES, LLC AND COFFEEN STREET PROPERTIES, LLC (THE OWNERS) FOR THE PURPOSE OF RENOVATING, EXPANDING AND EQUIPPING AN EXISTING MAINTENANCE FACILITY LOCATED AT 20128 NY 12-F IN THE TOWN OF WATERTOWN, JEFFERSON COUNTY, NEW YORK TO CONSOLIDATE MAINTENANCE AND ADMINISTRATIVE FUNCTIONS IN A SINGLE FACILITY.

WHEREAS, Jefferson County Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of Laws of 1969 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 77 of the 1974 Laws of New York, as

amended, constituting Section 902 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, renovating, improving, maintaining, equipping and furnishing of 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, pursuant to an application, including a cost benefits analysis (the "Application"), submitted to the Agency by Hi-Lite Properties, LLC (the "Company"), wherein the Agency has been requested to consider undertaking a project (the "Project"), consisting of the following:

- (A) (1) The acquisition of an interest in that certain property located 20128 NY 12-F in the Town of Watertown, County of Jefferson, New York (the "Land"), to be more particularly described in the Lease Agreement, and

(2) The expansion, renovation and equipping of an existing building on the Land to increase the existing 6,000 square foot building by an additional 6,400 square feet (the "Facility") and the acquisition and installation thereon of certain machinery and equipment (the "Equipment") to consolidate the Company's administrative functions with its maintenance functions. (the "Project") (the Land and the Project being collectively referred to as the "Project Facility"); and
- (B) The granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including exemption from certain sales taxes, in an amount not to exceed \$85,600, and exemption from mortgage recording taxes in an amount not to exceed \$13,500 (collectively, the "Financial Assistance"); and
- (C) The lease or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act"), and the regulations (the "Regulations") adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, "SEQRA"), the members of the Agency adopted a resolution on October 3, 2019, (the "SEQR Resolution") in which the Agency determined (A) that the Project constitutes an "Unlisted Action", (B) therefore that the coordinated review procedures outlined in the Regulations are strictly optional, (C) that the Project will not have a "significant effect on the environment" pursuant to SEQRA and, therefore that no environmental impact statement need be prepared with respect to the Project, and (D) that a negative declaration would be prepared with respect to the Project; and

WHEREAS, in order to consummate the Project and the granting of the Financial Assistance, the Agency proposes to enter into the following documents with the Company (hereinafter collectively referred to as the "Agency Documents"):

- (A) A lease to the Agency (and a memorandum thereof) (the "Underlying Lease") by and between the Company, as landlord, and the Agency, as tenant pursuant to which the Company will lease to the Agency the Project Facility; and
- (B) A lease agreement (and a memorandum thereof) (the "Lease Agreement") by and between the Agency and the Company, pursuant to which, among other things, the Company agrees to undertake the Project as agent of the Agency and the Company further agrees to lease the Project Facility from the Agency and to pay all legal fees and expenses incurred by the Agency with respect to the Project. The Lease Agreement shall serve as the Project Agreement pursuant to which the Company will agree to comply with certain recordkeeping and reporting requirements as a condition to relief from certain sales tax obligations including the agreement to comply with the reporting and recapture requirements of Section 875 of the General Municipal Law; and
- (C) Various certificates relating to the Project (the "Closing Documents"); and

WHEREAS, the Agency has given due consideration to the Application and to the representations by the Company that the granting by the Agency of the Financial Assistance with respect to the Project will be in an inducement to the Company to undertake the Project in Jefferson County, New York.

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

Section 1 The Agency hereby finds and determines that:

- (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 Project constitutes a "project", as such term is defined in the Act; and
- (C) The acquisition of the Project Facility and the lease of the Project Facility to the Company will promote and maintain the job opportunities, general prosperity and economic welfare of the citizens of Jefferson County, New York and the State of New York and improve their standard of living or more particularly described below; and
- (D) It is desirable and in the public interest for the Agency to grant to the Company the relief provided by the Project Agreement, and to enter into the Agency Documents upon the satisfaction of all conditions thereto.
- (E) The granting of the Financial Assistance shall result in the retention of 92 full time jobs and the creation of 40 full time jobs.

Section 2 In consequence of the foregoing, the Agency hereby determines that the granting of the Financial Assistance by the Agency with respect to the Project, through the granting of the tax exemptions described herein, will promote the job opportunities, health, general prosperity and economic welfare of the inhabitants of Jefferson County, New York and the State of New York, and improve their standard of living, and thereby serve the public purposes of the Act.

Section 3 In consequence of the foregoing, and subject to the satisfactions of any conditions as imposed herein or as may be required by the Act, the Agency hereby determines to:

- (A) Proceed with the Project;
- (B) Acquire the Project Facility;
- (C) Accept an Underlying Lease of the Project on terms to be determined by the Agency;
- (D) Lease the Project Facility to the Company pursuant to a Lease Agreement on terms to be determined by the Agency;
- (E) Execute and deliver the other Agency Documents upon terms and conditions satisfactory to the Chief Executive Officer; and
- (F) Execute and deliver the Closing Documents upon terms and conditions satisfactory to the Chief Executive Officer; and

(G) Grant the Financial Assistance with respect to the Project.

Section 4 The Agency is hereby authorized to acquire a leasehold interest in the Project Facility pursuant to an Underlying Lease 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 5 The Agency is hereby authorized to lease the Project Facility back to the Company pursuant to the Lease Agreement and to do all things necessary or appropriate to renovate, construct and equip the Project pursuant to the terms of the Lease Agreement.

Section 6 (A) The Chief Executive Officer of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Agency Documents and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in substantially the forms thereof presented to this meeting, with such changes, variations, omissions and insertions thereto as the Chief Executive Officer shall approve, the execution thereof by the Chief Executive Officer to constitute conclusive evidence of such approval.

(B) The Chief Executive Officer of the Agency is hereby further authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Lease Agreement).

Section 7 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 Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, to 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 Agency Documents binding upon the Agency.

Section 8 The Agency hereby determines and finds that the Project will not constitute a project where facilities or property are primarily used in making retail sales of goods or services to customers who personally visit such facilities.

Section 9 This Resolution shall take effect immediately.

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

<u>David Converse</u>	VOTING <u>YEA</u>
<u>John Jennings</u>	VOTING <u>YEA</u>
<u>Robert Aliasso</u>	VOTING <u>YEA</u>
<u>W. Edward Walldroff</u>	VOTING <u>YEA</u>
<u>Paul Warneck</u>	VOTING <u>YEA</u>
<u>William Johnson</u>	VOTING <u>ABSENT</u>
<u>Lisa L'Huillier</u>	VOTING <u>YEA</u>

The foregoing Resolution was thereupon declared and duly adopted.

ENVIRONMENTAL RESOLUTION

A meeting of Jefferson County Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency located at 800 Starbuck Avenue in the City of Watertown, Jefferson County, New York on October 3, 2019, at 8:30 o'clock a.m., local time.

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

PRESENT: David Converse, John Jennings, Robert E. Aliasso, Jr., W. Edward Walldroff, Paul Warneck and Lisa L'Huillier

ABSENT: William Johnson

FOLLOWING PERSONS WERE ALSO PRESENT: Donald Alexander, David Zembiec, Lyle Eaton, Peggy Sampson, Jay Matteson, Marshall Weir, Christine Powers, Joseph Russell, Esq., Francis Tom Iorizzo, and Marcus Wolf from the Watertown Daily Times

The following resolution was offered by Mr. Walldroff, seconded by Mr. Warneck, to wit:

Resolution No. 10.03.2019.06

RESOLUTION DETERMINING THAT ACTION TOWARD THE ACQUISITION, CONSTRUCTION, INSTALLATION AND LEASING OF A CERTAIN COMMERCIAL PROJECT FOR OYA NYS RTE 12 LLC, OYA BLANCHARD ROAD LLC, OYA BLANCHARD ROAD 2 LLC, AND OYA GREAT LAKES SEAWAY LLC (COLLECTIVELY "OYA" WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.

WHEREAS, Jefferson 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 369 of the 1971 Laws of New York, as amended, constituting Section 892-e 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 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, OYA has presented an application (the "Application") to the Agency, a copy of which was presented at this meeting and copies of which are on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") consisting of the following: (A) (1) the acquisition of an interest in certain parcels of land located in the Towns of Orleans, to wit: tax parcels 13.00-2-51; 13.00-2-53; and 13.00-4-41.1; and a parcel located in the Town of Clayton, to wit: tax parcel 20.00-1-28, Jefferson County, New York (the "Land"), and (2) construction on the Land of four separate 5 megawatt solar photo-voltaic community distribution generation facilities (collectively the Facility") to be operated by the Company (the Land and the Facility collectively referred to as the "Project Facility"; (B) the granting of certain "financial assistance" (within the meaning of section 854(14) of the Act) with respect to the foregoing, including exemption from certain sales taxes, real estate transfer taxes, and real estate taxes (collectively the "Financial Assistance"); and (C) the lease (with and obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, the Agency is a local agency pursuant to the New York State Environmental Quality Review Act ("SEQRA"), ECL Section 8-0101, *et seq.*, and implementing regulations, 6 NYCRR Part 617 (the "Regulations"); and

WHEREAS, undertaking the Project is an Action as defined by SEQRA; and

WHEREAS, the Town of Orleans conducted a coordinated review of the Project, and although the Agency was not included as an involved agency in the review conducted by the Town of Orleans, a complete copy of the Full Environmental Assessment Form reviewed by the Town and of the environmental review proceedings conducted by the Town of Orleans (the "EAF") has been filed with the Agency and has been provided to the members of the Agency; and

WHEREAS, the Agency has considered the Project and the EAF, together with the Agency's knowledge of the area surrounding the Project, and such further information as is available to the Agency; and

WHEREAS, the Agency has reviewed the classifications of actions contained in the Regulations; and

WHEREAS, the Agency has determined that the Action is a Type I Action, as that term is defined in the Regulations, and that although the Agency was not included as an involved agency in the coordinated review conducted by the Town of Orleans, the Agency as reviewed the proceedings conducted by the Town of Orleans and the EAF and concurs with the findings of the Town of Orleans that the Project will not result in a significant environmental impact.

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

Section 1. The Project is a Type I Action pursuant to SEQRA.

Section 2. The Agency has reviewed the environmental review conducted by the Town of Orleans and concurs with the findings of the Town of Orleans.

Section 3. The Project will not result in a significant adverse environmental impact.

Section 4. Preparation of an Environmental Impact Statement is not required.

Section 5. The basis for this determination is set forth in Part 2 of the Environmental Assessment Form, attached as Attachment A hereto and incorporated by reference herein.

Section 6. A Negative Declaration of significant adverse environmental impact shall be prepared, filed, distributed and published in accord with 6 NYCRR shall be filed at the Agency as required by 6 NYCRR Section 617.12(b)(2).

Section 7. This resolution shall take effect immediately.

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

David J. Converse	VOTING	YEA
John Jennings	VOTING	YEA
Robert E. Aliasso, Jr.	VOTING	YEA
W. Edward Walldroff	VOTING	YEA
Paul Warneck	VOTING	YEA
William Johnson	VOTING	ABSENT
Lisa L'Huillier	VOTING	YEA

The foregoing Resolution was thereupon declared duly adopted.

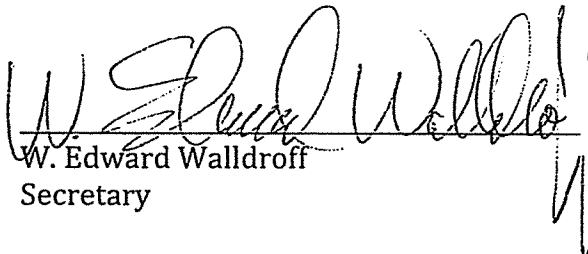
STATE OF NEW YORK)
COUNTY OF JEFFERSON) ss.:

I, the undersigned Chief Executive Officer of the Jefferson County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY, that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on October 3, 2019, with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Agency and of such Resolution set forth therein and of the whole of said original so far as the same related to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respect duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public and due notice of the time and place of said meeting was given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present through said meeting.

I 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, I have hereunto set my hand and affixed the seal of the Agency this 3rd day of October, 2019


W. Edward Walldroff
Secretary

PRELIMINARY INDUCEMENT RESOLUTION

A meeting of Jefferson County Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency located at 800 Starbuck Avenue in the City of Watertown, Jefferson County, New York on October 3, 2019 at 8:30 o'clock a.m., local time.

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

PRESENT: David Converse, John Jennings, Robert E. Aliasso, W. Edward Walldroff, Paul Warneck, and Lisa L'Huillier

ABSENT: William Johnson

FOLLOWING PERSONS WERE ALSO PRESENT: Donald Alexander, David Zembiec, Lyle Eaton, Peggy Sampson, Marshall Weir, Christine Powers, Joseph Russell, Esq., Francis Tom Iorizzo, and Marcus Wolf from the Watertown Daily Times

The following resolution was offered by Mr. Aliasso, seconded by Mr. Jennings, to wit:

Resolution No. 10.03.2019.07

RESOLUTION TAKING PRELIMINARY OFFICIAL ACTION TOWARD THE ACQUISITION, CONSTRUCTION, INSTALLATION, AND LEASING OF A CERTAIN COMMERCIAL PROJECT FOR OYA NYS RTE 12 LLC, OYA BLANCHARD ROAD LLC, OYA BLANCHARD ROAD 2 LLC, AND OYA GREAT LAKES SEAWAY LLC (COLLECTIVELY THE "COMPANY") AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PRELIMINARY AGREEMENT WITH THE COMPANY WITH RESPECT TO SUCH TRANSACTION.

WHEREAS, Jefferson 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 77 of the 1974 Laws of New York, as amended, constituting Section 902 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 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, OYA NYS Rte 12 LLC, OYA Blanchard Road LLC, OYA Blanchard Road 2 LLC, and OYA Seaway Great Lakes LLC (collectively the "Company") has presented an application (the "Application") to the Agency, a copy of which was presented at this meeting and copies of which are on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") consisting of the following: (A) (1) the acquisition of an interest in certain parcels of land located in the Towns of Orleans, to wit: tax parcels 13.00-2-51; 13.00-2-53; and 13.00-4-41.1; and a parcel located in the Town of Clayton, to wit: tax parcel 20.00-1-28, Jefferson County, New York (the "Land"), and (2) construction on the Land of four separate 5 megawatt solar photo-voltaic community distribution generation facilities (collectively the Facility") to be operated by the Company (the Land and the Facility collectively referred to as the "Project Facility"; (B) the granting of certain "financial assistance" (within the meaning of section 854(14) of the Act) with respect to the foregoing, including exemption from certain sales taxes, real estate transfer taxes, and real estate taxes (collectively the "Financial Assistance"); and (C) the lease (with and obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, the Agency has given due consideration to the Application and to representations by the Company that (A) the granting by the Agency of the Financial Assistance with respect to the Project will be an inducement to the Company to undertake the Project in Jefferson County, New York, (B) the completion of the Project Facility will not result in the removal of a plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State of New York to another area of the State of New York or in the abandonment of a plant or facility of any proposed occupant of the Project Facility (other than the Company) located in the State of New York and (C) the completion of the Project Facility will not result in the abandonment of one or more plants or facilities of the Company located in the State of New York; and

WHEREAS, the Agency desires to encourage the Company to preserve and advance the job opportunities, health, general prosperity and economic welfare of the people of Jefferson County, New York by undertaking the Project in Jefferson County, New York; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act"), and the regulations (the "Regulations") adopted pursuant thereto by the Department of

Environmental Conservation of the State of New York (collectively with the SEQRA Act, "SEQRA"), by resolution adopted by the members of the Agency on October 3, 2019 (the "SEQRA Resolution"), the Agency has determined that the Project will not have a significant effect on the environment and, therefore, that an environmental impact statement is not required to be prepared with respect to the Project; and

WHEREAS, pursuant to the Act, any approval of the Project contained herein is contingent upon a determination by the members of the Agency to proceed with the Project following satisfaction of the public hearing and notice requirements and other procedural requirements contained in Section 859-a of the Act that relate to the Project; and

WHEREAS, although the resolution authorizing the Project has not yet been drafted for approval by the Agency, a preliminary agreement (the "Preliminary Agreement") relative to the proposed undertaking of the Project by the Agency has been presented for approval by the Agency.

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

Section 1. The Agency has reviewed the Application and based upon the representations made by the Company to the Agency in the Application and at this meeting and, based thereon, the Agency hereby makes the following findings and determinations with respect to the Project:

(A) The Project constitutes a "project" within the meaning of the Act; and

(B) The completion of the Project Facility will not result in the removal of a plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State of New York to another area of the State of New York or in the abandonment of a plant or facility of any proposed occupant of the Project Facility (other than the Company) located in the State of New York and, although the completion of the Project Facility, will not result in the abandonment of one or more plants or facilities of the Company located in the State of New York; and

(C) The Project Facility will not constitute a project where facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities constitute more than one-third of the total cost of the Project; and

(D) The granting of the Financial Assistance by the Agency with respect to the Project, through the granting of the various tax exemptions described in Section 2(D) of this Resolution, will promote the job opportunities, health, general prosperity and economic welfare of the inhabitants of Jefferson County, New York and the State of New York and improve their standard of living, and thereby serve the public purposes of the Act; and

(E) Upon compliance with the provisions of the Act, the Agency would then be authorized under the Act to undertake the Project in order to promote the job opportunities, health, general prosperity and economic welfare of the inhabitants of Jefferson County, New York and the State of New York and improve their standard of living.

Section 2. If, following full compliance with the requirements of the Act, including the public hearing requirements set forth in Section 859-a of the Act, the Agency adopts a future resolution (the "Future Resolution") determining to proceed with the Project and to grant the Financial Assistance with respect thereto and the Company complies with all conditions set forth in the Preliminary Agreement and the Future Resolution, then the Agency will (A) acquire an interest in the Project Facility from the Company pursuant to a deed, lease agreement or other documentation to be negotiated between the Agency and the Company (the "Acquisition Agreement"); (B) renovate the Facility and acquire and install the Equipment in the Facility or elsewhere on the Land; (C) lease (with the obligation to purchase) or sell the Project Facility to the Company pursuant to a lease agreement or an installment sale agreement (hereinafter the "Project Agreement") between the Agency and the Company whereby the Company will be obligated, among other things, (1) to make payments to the Agency in amounts and at times so that such payments will be adequate to enable the Agency to timely pay all amounts due on the Acquisition Agreement and (2) to pay all costs incurred by the Agency with respect to the Project and/or the Project Facility, including all costs of operation and maintenance, all taxes and other governmental charges, any required payments in lieu of taxes and the reasonable fees and expenses incurred by the Agency with respect to or in connection with the Project and/or the Project Facility, and (D) provide the Financial Assistance with respect to the Project, in accordance with the Agency's uniform tax exemption policy, including (1) exemption from mortgage recording taxes with respect to any documents recorded by the Agency with respect to the Project in the Office of the County Clerk of Jefferson County, New York or elsewhere, (2) exemption from sales taxes relating to the acquisition, construction and installation of the Project Facility, (3) exemption from deed transfer taxes and real estate transfer gains taxes on real estate transfers to and from the Agency with respect to the Project, and (4) exemption from real estate taxes (but not including special assessments and special ad valorem levies) relating to the Project Facility, subject to the obligation of the Company to make payments in lieu of taxes with respect to the Project Facility, all as contemplated by the Preliminary Agreement and the Future Resolution.

Section 3. If the Agency adopts the Future Resolution, the undertaking and completing of the Project by the Agency, and the granting of the Financial Assistance with respect to the Project as contemplated by Section 2 of this Resolution, shall be subject to: (A) the determination by the members of the Agency to proceed with the Project following a determination by the members of the Agency that all requirements of SEQRA that relate to the Project have been fulfilled; (B) execution and delivery by the Company of the Preliminary Agreement, which sets forth certain conditions for the undertaking and completing of the Project by the Agency, and satisfaction by the Company of all the terms and conditions of the Preliminary Agreement applicable to the Company; (C) agreement by

the Agency and the Company on mutually acceptable terms for the conveyance of the Land to the Agency; (D) agreement between the Company and the Agency as to payment by the Company of payments in lieu of taxes with respect to the Project Facility, together with the administrative fee of the Agency with respect to the Project; (E) a determination by the members of the Agency to proceed with the granting of the Financial Assistance with respect to the Project following a determination by the members of the Agency that the public hearing and notice requirements and other procedural requirements contained in Section 859-a of the Act have been complied with; (F) the Agency's uniform tax exemption policy or if any portion of the Financial Assistance to be granted by the Agency with respect to the Project is not consistent with the Agency's uniform tax exemption policy, the Agency must follow the procedures for deviation from such policy set forth in Section 874(b) of the Act prior to granting such portion of the Financial Assistance; and (G) the following additional condition(s): None.

Section 4. The form, terms and substance of the Preliminary Agreement (in substantially the form presented to this meeting and attached hereto) are in all respects approved, and the First Chairman (or Vice Chairman) of the Agency is hereby authorized, empowered and directed to execute and deliver said Preliminary Agreement in the name and on behalf of the Agency, said Preliminary Agreement to be substantially in the form presented to this meeting, with such changes therein as shall be approved by the officer executing same on behalf of the Agency, the execution thereof by such officer to constitute conclusive evidence of such officer's approval of any and all changes or revisions therein from the form now before this meeting.

Section 5. From and after the execution and delivery of the Preliminary Agreement, the officers, agents and employees of the Agency are hereby authorized, empowered and directed to proceed with the undertakings provided for therein on the part of the Agency and are further authorized to do all such acts and things and to execute all such documents as may be necessary or convenient to carry out and comply with the terms and provisions of the Preliminary Agreement as executed.

Section 6. Joseph W. Russell, of the law firm of Barclay Damon LLP of Watertown, New York is hereby appointed Counsel to the Agency with respect to all matters in connection with the Project. Counsel for the Agency is hereby authorized, at the expense of the Company, to work with the Company, counsel to the Company and others to prepare for submission to the Agency, all documents necessary to effect the transactions contemplated by this Resolution.

Section 7. The Agency hereby authorizes the Executive Director of the Agency, prior to the granting of any Financial Assistance with respect to the Project, after consultation with Counsel, (A) to establish a time, date and place for a public hearing of the Agency to hear all persons interested in the location and nature of the Project Facility and the proposed Financial Assistance being contemplated by the Agency with respect to the Project, said public hearing to be held in the city, town or village where the Project Facility will be located; (B) to cause notice of such public hearing to be given to the public by publishing a notice of such hearing in a newspaper of general circulation available to

residents of the governmental units where the Project Facility is to be located, such notice to comply with the requirements of Section 859-a of the Act and to be published no fewer than ten (10) days prior to the date established for such public hearing; (C) to cause notice of said public hearing to be given to the chief executive officer of the county and each city, town, village and school district in which the Project Facility is or is to be located no fewer than ten (10) days prior to the date established for said public hearing; (D) to conduct such public hearing; and (E) to cause a report of said public hearing fairly summarizing the views presented at said public hearing to be promptly prepared and cause copies of said report to be made available to the members of the Agency.

Section 8. The First Chairman, Vice Chairman and Executive Director of the Agency are 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 9. This Resolution shall take effect immediately.

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

David J. Converse	VOTING	YEA
John Jennings	VOTING	YEA
Robert E. Aliasso, Jr.	VOTING	YEA
W. Edward Walldroff	VOTING	YEA
Paul Warneck	VOTING	YEA
William Johnson	VOTING	ABSENT
Lisa L'Huillier	VOTING	YEA

The foregoing Resolution was thereupon declared duly adopted.

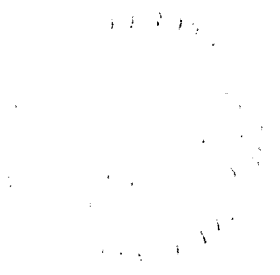
STATE OF NEW YORK)
COUNTY OF JEFFERSON) ss.:

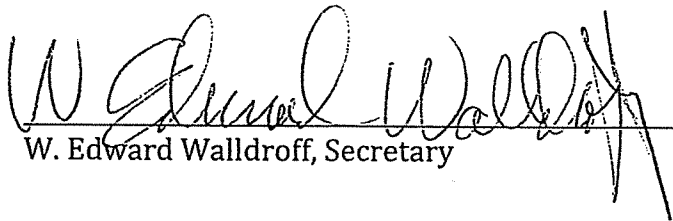
I, the undersigned Secretary of Jefferson County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY, that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on October 3, 2019 with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Agency and of such Resolution set forth therein and of the whole of said original so far as the same related to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respect duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public and due notice of the time and place of said meeting was given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present through said meeting.

I 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, I have hereunto set my hand and affixed the seal of the Agency this 3rd day of October, 2019.




W. Edward Walldroff, Secretary

Jefferson County Industrial Development Agency
Balance Sheet For The Period Ending October 31, 2019

Cash:	Unrestricted	PILOT	RLF	MICRO	City	146 Arsenal	Airport	Total
Unrestricted	248,958.80					-	-	248,958.80
PILOT Checking	0.00							-
146 Arsenal Cap. Res.						1,051,208.46		1,051,208.46
RCI Cash	0.00							-
Loan Funds Cash			3,851,104.69	70,206.48	121,235.04			4,042,546.21
Accounts Rec:								
PILOT		9,856.41						9,856.41
Miscellaneous	0.00							-
Rogers	21,635.33							21,635.33
Loans Receivable			577,696.99	316,657.61	157,091.26			1,051,445.86
Allow Bad Debt RLF			(275,325.05)					(275,325.05)
Bad Debt Micro				(30,641.75)				(30,641.75)
Prepaid Expense	19,491.25							19,491.25
Total Current Asset	290,085.38	9,856.41	4,153,476.63	356,222.34	278,326.30	1,051,208.46	0.00	6,139,175.52
Other Assets:								
WIP Airport							88,991.90	88,991.90
WIP 146 Arsenal						18,750.00		18,750.00
WIP Records								0.00
IT Server-Tablets	19,416.00							19,416.00
Corp. Park Impr.	209,995.14							209,995.14
Airport Property	884,326.02							884,326.02
Woolworth Building						505,000.00		505,000.00
Depreciation	(180,873.96)					(1,145,146.77)		(1,326,020.73)
146 Arsenal Building	-					1,233,689.56		1,233,689.56
Total Other Assets	932,863.20	0.00	\$ -	\$ -	\$ -	593,542.79	88,991.90	1,634,147.89
Total Assets	1,222,948.58	9,856.41	4,153,476.63	356,222.34	278,326.30	1,644,751.25	88,991.90	7,773,323.41
Liabilities And Capital								
	Unrestricted		RLF	MICRO	City	Convergys		Total
Current Liabilities:								
Accounts Payable	0.00							-
Apex Legal Deferred	0.00		0.00					-
A/P PILOT		9,856.41					-	9,856.41
Due HUD-Loan Intr.			0.00	0.00	-			-
Maintenance Reserve						14,445.48		14,445.48
Maint Exp. Fund						25,927.57		25,927.57
Other C/L	11,000.00							11,000.00
Total Current Liab.	11,000.00	9,856.41	-	-	-	40,373.05	-	61,229.46
L. Term Liabilities:								
NYS IAP Grant	180,159.78	0.00						180,159.78
Deferred - Rogers	21,635.33	0.00						21,635.33
Total LT Liabilities	201,795.11	0.00	0.00	0.00	0.00	0.00	0.00	201,795.11
Total Liabilities	212,795.11	9,856.41	-	-	-	40,373.05	-	263,024.57
Fund Balance	1,010,153.47	0.00	4,153,476.63	356,222.34	278,326.30	1,604,378.20	88,991.90	7,510,298.84
Liabilities & Capital								7,773,323.41

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Income Statement for the One Month Period Ending October 31, 2019
 Prepared by Lyle Eaton, October 30, 2019

UNRECONCILED

	Current Year Budget	Year-to-Date Total	Current Month	Previous Mont	Balance Remaining
Revenues					
Application & Process Fees	\$ 3,000.00	250.00	\$ 250.00	5,000.00	2,750.00
RCI Annual CD Fund	279,427.00	0.00	0.00	0.00	279,427.00
Bond Admin Fee	3,000.00	0.00	0.00	0.00	3,000.00
PILOT/Sale Leaseback Fees	518,017.00	0.00	0.00	0.00	518,017.00
Fee Income - RLF Program	43,424.00	3,618.56	3,618.56	3,618.56	39,805.44
Fee Income - Micro Program	26,137.00	2,097.28	2,097.28	2,097.28	24,039.72
Interest Income	2,500.00	165.73	165.73	341.30	2,334.27
Interest Income - RLF Progra	55,000.00	4,096.49	4,096.49	682.52	50,903.51
Late Payment Penalty RLF	200.00	0.00	0.00	0.00	200.00
Interest Income - City Fund	8,200.00	909.21	909.21	188.27	7,290.79
Interest Income - Micro Prog.	5,000.00	1,454.83	1,454.83	1,387.26	3,545.17
Late Payment Penalty - Micro	500.00	0.00	0.00	15.22	500.00
Miscellaneous Income	2,000.00	149.18	149.18	148.07	1,850.82
Fee Income 146 Arsenal	0.00	0.00	0.00	1,478.22	0.00
FTZ Fees	1,200.00	0.00	0.00	0.00	1,200.00
In Kind Services JCLDC	0.00	0.00	0.00	298,512.00	0.00
Total Revenues	947,605.00	12,741.28	12,741.28	313,468.70	934,863.72
Operations					
Office Expense	1,000.00	61.16	61.16	0.00	938.84
RCI Fee Sharing	139,714.00	0.00	0.00	0.00	139,714.00
Admin Services Exp	600,377.00	50,031.41	50,031.41	49,752.00	550,345.59
D&O Insurance	14,400.00	1,731.03	1,731.03	1,047.54	12,668.97
Commercial Insurance	8,000.00	0.00	0.00	481.90	8,000.00
Comm Ins 146 Arsenal	15,000.00	0.00	0.00	0.00	15,000.00
FTZ Expense	1,250.00	1,250.00	1,250.00	0.00	0.00
Legal - Unrestricted	12,000.00	1,000.00	1,000.00	1,000.00	11,000.00
Legal Corp Park	5,000.00	0.00	0.00	0.00	5,000.00
Accounting & Auditing	11,000.00	0.00	0.00	0.00	11,000.00
Consultants	1,000.00	0.00	0.00	0.00	1,000.00
Coffeen Park Taxes	1,800.00	0.00	0.00	0.00	1,800.00
Airport Park Taxes	1,200.00	0.00	0.00	0.00	1,200.00
Fees Expense	300.00	0.00	0.00	140.50	300.00
RLF Program Expense	43,424.00	3,618.56	3,618.56	3,618.56	39,805.44
Microenterprise Program Exp	26,167.00	2,097.28	2,097.28	2,097.28	24,069.72
RLF Audit Expense	800.00	0.00	0.00	0.00	800.00
Landscaping	0.00	0.00	0.00	1,750.00	0.00
146 Arsenal Bldg Maintenanc	0.00	0.00	0.00	520.00	0.00
Plowing 146 Arsenal	25,000.00	0.00	0.00	0.00	25,000.00
IDA 146 Arsenal Bldg Expens	0.00	1,250.00	1,250.00	1,250.00	(1,250.00)
City/County Parking Lot Fund	20,000.00	20,000.00	20,000.00	0.00	0.00
Building Depreciation	74,000.00	6,091.82	6,091.82	6,091.82	67,908.18
146 Arsena Equip. Depreciati	4,773.00	397.72	397.72	397.72	4,375.28
146 Arsenal Electric	0.00	249.29	249.29	0.00	(249.29)
146 Arsenal Water	0.00	0.00	0.00	2,380.89	0.00
Salary Expense	0.00	2,454.42	2,454.42	0.00	(2,454.42)
Consultants	0.00	0.00	0.00	5,440.90	0.00
Miscellaneous - Unrestricted	200.00	0.00	0.00	0.00	200.00
Total Operations	1,006,405.0	90,232.69	90,232.69	75,969.11	916,172.31
Total Revenue	947,605.00	12,741.28	12,741.28	313,468.70	934,863.72
Total Expenses	1,006,405.0	90,232.69	90,232.69	75,969.11	916,172.31
Net Income Over Expenditu	\$ (58,800.00)	(77,491.41)	\$ (77,491.41)	237,499.59	18,691.41

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Income Statement for the One Month Period Ending October 31, 2019
Unrestricted Income

	Current Year Budget	Year-to-Date Total	Current Month	Previous Month	% YTD of Budget
Revenues					
Application & Process Fees	\$ 3,000.00	250.00	\$ 250.00	5,000.00	8.33
RCI Annual CD Fund	279,427.00	0.00	0.00	0.00	0.00
Bond Admin Fee	3,000.00	0.00	0.00	0.00	0.00
PILOT/Sale Leaseback Fees	518,017.00	0.00	0.00	0.00	0.00
Fee Income - RLF Program	43,424.00	3,618.56	3,618.56	3,618.56	8.33
Fee Income - Micro Program	26,137.00	2,097.28	2,097.28	2,097.28	8.02
Interest Income	2,500.00	165.73	165.73	341.30	6.63
Miscellaneous Income	2,000.00	149.18	149.18	148.07	7.46
Fee Income 146 Arsenal	0.00	0.00	0.00	1,478.22	0.00
FTZ Fees	1,200.00	0.00	0.00	0.00	0.00
Total Revenues	878,705.00	6,280.75	6,280.75	12,683.43	0.71
Expenses					
Operations					
Office Expense	1,000.00	61.16	61.16	0.00	6.12
RCI Fee Sharing	139,714.00	0.00	0.00	0.00	0.00
Admin Services Exp	600,377.00	50,031.41	50,031.41	49,752.00	8.33
D&O Insurance	14,400.00	1,731.03	1,731.03	1,047.54	12.02
Commercial Insurance	8,000.00	0.00	0.00	481.90	0.00
Comm Ins 146 Arsenal	15,000.00	0.00	0.00	0.00	0.00
FTZ Expense	1,250.00	1,250.00	1,250.00	0.00	100.00
Legal - Unrestricted	12,000.00	1,000.00	1,000.00	1,000.00	8.33
Legal Corp Park	5,000.00	0.00	0.00	0.00	0.00
Accounting & Auditing	11,000.00	0.00	0.00	0.00	0.00
Consultants	1,000.00	0.00	0.00	0.00	0.00
Coffeen Park Taxes	1,800.00	0.00	0.00	0.00	0.00
Airport Park Taxes	1,200.00	0.00	0.00	0.00	0.00
Fees Expense	300.00	0.00	0.00	140.50	0.00
City/County Parking Lot Fund	20,000.00	20,000.00	20,000.00	0.00	100.00
Building Depreciation	74,000.00	6,091.82	6,091.82	6,091.82	8.23
146 Arsenal Equip. Depreciation	4,773.00	397.72	397.72	397.72	8.33
146 Arsenal Electric	0.00	249.29	249.29	0.00	0.00
146 Arsenal Water	0.00	0.00	0.00	2,380.89	0.00
Salary Expense	0.00	2,454.42	2,454.42	0.00	0.00
Consultants	0.00	0.00	0.00	5,440.90	0.00
Miscellaneous - Unrestricted	200.00	0.00	0.00	0.00	0.00
Landscaping	0.00	0.00	0.00	1,750.00	0.00
146 Arsenal Bldg Maintenance	0.00	0.00	0.00	520.00	0.00
Plowing 146 Arsenal	25,000.00	0.00	0.00	0.00	0.00
IDA 146 Arsenal Bldg Expense	0.00	1,250.00	1,250.00	1,250.00	0.00
Total Operations	936,014.00	84,516.85	84,516.85	70,253.27	9.03
Total Income	878,705.00	6,280.75	6,280.75	12,683.43	0.71
Total Expenses	936,014.00	84,516.85	84,516.85	70,253.27	9.03
Profit (Loss)	\$ (57,309.00)	(78,236.10)	\$ (78,236.10)	(57,569.84)	136.52

Jeff Co Industrial Development Agency
Balance Sheet
October 31, 2019

ASSETS

Current Assets		
General Checking	\$	24,349.74
Savings Account		1,275,817.52
Microenterprise Account		70,206.48
City Loan Account		121,235.04
Revolving Loan Fund Account		3,851,104.69
PILOT Monies Receivable		9,856.41
Acct Receivable - Rogers		21,635.33
RLF Loans Receivable		577,696.99
Microenterprise Loans Rec.		316,657.61
Watn. Economic Growth Fund Rec		157,091.26
Allowance for Bad Debt-RLF		(275,325.05)
Allow. for Bad Debts-MICRO		(30,641.75)
Prepaid Expense		19,491.25
		<hr/>
Total Current Assets		6,139,175.52
Property and Equipment		
Accum Depr - Building		(1,145,146.77)
Accum Depr. Equipment		(180,873.96)
		<hr/>
Total Property and Equipment		(1,326,020.73)
Other Assets		
IT Server		6,050.00
Galaxy Tablets		13,366.00
Corp. Park Improvements		209,995.14
Airport Property		884,326.02
WIP Airport		88,991.90
Woolworth Building		505,000.00
146 Ars Building Improvements		1,233,689.56
WIP Arsenal Deck & Sidewalks		11,000.00
WIP 146 Arsenal- Engineering		7,750.00
		<hr/>
Total Other Assets		2,960,168.62
		<hr/>
Total Assets	\$	<u><u>7,773,323.41</u></u>

LIABILITIES AND CAPITAL

Current Liabilities		
PILOT Monies Payable	\$	9,856.41
Maintenance Reserve Convergys		14,445.48
Maintenance Expense Convergys		25,927.57
Car Freshner Signage		11,000.00
		<hr/>
Total Current Liabilities		61,229.46
Long-Term Liabilities		
Due NYS/IAP L.T.		180,159.78
Deferred Revenue - Rogers		21,635.33
		<hr/>
Total Long-Term Liabilities		201,795.11

Jeff Co Industrial Development Agency
Balance Sheet
October 31, 2019

Total Liabilities		<u>263,024.57</u>
Capital		
General Fund Bal - Unrestrict.	1,511,580.67	
Fund Bal - RLF Restricted	4,419,309.27	
Fund Bal - Micro Restricted	414,850.76	
Fund Bal - City Restricted	262,489.22	
Cap. Impr. Convergys	979,560.33	
Net Income	<u>(77,491.41)</u>	
Total Capital		<u>7,510,298.84</u>
Total Liabilities & Capital	\$	<u><u>7,773,323.41</u></u>

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
146 Arsenal Expenses for the One Month Period Ending October 31, 2019
Prepared by Lyle Eaton

	Current Year Budget	Year-to-Date Total	Current Month	Previous Month	% YTD of Budget
Expenses					
Landscaping	\$ 0.00	0.00	\$ 0.00	1,750.00	0.00
146 Arsenal Bldg Maintenance	0.00	0.00	0.00	520.00	0.00
Plowing 146 Arsenal	25,000.00	0.00	0.00	0.00	0.00
IDA 146 Arsenal Bldg Expens	0.00	1,250.00	1,250.00	1,250.00	0.00
City/County Parking Lot Fund	20,000.00	20,000.00	20,000.00	0.00	100.00
Building Depreciation	74,000.00	6,091.82	6,091.82	6,091.82	8.23
146 Arsena Equip. Depreciatio	4,773.00	397.72	397.72	397.72	8.33
146 Arsenal Electric	0.00	249.29	249.29	0.00	0.00
146 Arsenal Water	0.00	0.00	0.00	2,380.89	0.00
Salary Expense	0.00	2,454.42	2,454.42	0.00	0.00
Consultants	0.00	0.00	0.00	5,440.90	0.00
Total Expenses	\$ 123,773.00	30,443.25	\$ 30,443.25	17,831.33	24.60

Jeff Co Industrial Development Agency
General Checking Cash Receipts Journal
For the Period From Oct 1, 2019 to Oct 31, 2019

Filter Criteria includes: Report order is by Check Date. Report is printed in Detail Format.

Date	Account ID	Transaction Ref	Line Description	Debit Amnt	Credit Amnt
10/3/19	125001 100001	023450	Invoice: 3449 EAGLE BEVERAGE COMPANY, INC.	2,500.00	2,500.00
10/3/19	125501 412501 100001	2748	9/19 PRINCIPAL 9/19 INTEREST KENNETH F. ROGERS	314.91	149.18 165.73
10/3/19	207005 205602 100001	1060	DUE MICRO DUE SHLDC MAIN STREET CRAFTS & DRAFTS	269.86	134.93 134.93
10/7/19	121001 100001	ACH-10/7/19	Invoice: 3441 NEW YORK AIR BRAKE COMPANY	2,529.10	2,529.10
10/10/19	207005 205602 100001	1670	10/19 PAINFULL DUE MICRO 10/19 PAINFUL DUE SHLDC PAINFULL ACRES	989.37	565.35 424.02
10/10/19	125001 100001	2161	Invoice: 3447 JEFFERSON COUNTY INDUSTRIAL	3,618.56	3,618.56
10/10/19	125001 100001	1207	Invoice: 3446 JEFFERSON COUNTY INDUSTRIAL	2,097.28	2,097.28
10/17/19	207005 205602 100001	198	10/19 DUE MICRO 10/19 DUE SHLDC THE SANDWICH BAR	717.11	358.55 358.56
10/31/19	125001 100001	5687	Invoice: 3452 RBM MANUFACTURING CORP	250.00	250.00
				<u>13,286.19</u>	<u>13,286.19</u>

Jeff Co Industrial Development Agency
Revolving Loan Fund Receivables
As of Oct 31, 2019

Filter Criteria includes: 1) Includes Drop Shipments. Report order is by ID. Report is printed in Summary Format.

Customer	Amount Due
BENCHMARK FAMILY SERVICES	155,599.64
MEADOWBROOK TERRACE	100,997.56
MLR,LLC	124,161.33
WRIGHT BROS. LLC	196,938.46
	<u>577,696.99</u>

Jeff Co Industrial Development Agency
Micro Loans Receivable
As of Oct 31, 2019

Filter Criteria includes: 1) Includes Drop Shipments. Report order is by ID. Report is printed in Summary Format.

Customer	Amount Due
ABOVE REALITY SPORTS COMPLEX	37,632.52
COLLEEN'S CHERRY TREE INN	34,950.54
R.L.GOULD & SON, LLC	35,712.37
THOUSAND ISLANDS AREA HABITAT FOR HUMAN	29,660.52
MAIN STREET CRAFTS & DRAFTS	5,842.84
MEDICAL GAS TECHNOLOGIES	6,654.18
MR. RICKS BAKERY INC.	13,056.20
PAINFULL ACRES	32,559.95
RC SPOT, LLC	15,785.93
MR RICK'S BAKERY 2	18,212.45
DAN B SAMPSON II	19,141.41
THE SANDWICH BAR	17,019.70
THE SCRUB HUB	13,813.72
SERV-PRO	8,879.72
SACKETS HARBOR TRADING CO.	6,598.37
TASTE OF DESIGN	21,137.19
	<u>316,657.61</u>

Jeff Co Industrial Development Agency
Watn. Economic Growth Fund
As of Oct 31, 2019

Filter Criteria includes: 1) Includes Drop Shipments. Report order is by ID. Report is printed in Summary Format.

Customer	Amount Due
CURRENT APPLICATIONS	157,091.26
	<u>157,091.26</u>

Jeff Co Industrial Development Agency
Cash Disbursements Journal
For the Period From Oct 1, 2019 to Oct 31, 2019

Filter Criteria includes: Report order is by Date. Report is printed in Detail Format.

Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
10/3/19	7097	200001 100001	Invoice: 2026 RETAINER BARCLAY DAMON LLP	1,000.00	1,000.00
10/3/19	7098	200001 100001	Invoice: 19-1004 BERNIER, CARR & ASSOCIATES, P.C.	2,945.58	2,945.58
10/3/19	7099	200001 100001	Invoice: 849304483 GREAT AMERICAN INSURANCE CO.	13,503.00	13,503.00
10/3/19	7100	200001 100001	Invoice: 10/19 MAIN ST JEFFERSON COUNTY INDUSTRIAL	134.93	134.93
10/3/19	7101	200001 100001	Invoice: 10-1-2019 LIBERTY MUTUAL INSURANCE	7,719.28	7,719.28
10/3/19	7102	200001 100001	Invoice: 10/19 MAIN ST SACKETS HARBOR LDC	134.93	134.93
10/3/19	7103	200001 100001	Invoice: 675567 CITY OF WATERTOWN COMPTROLLER	20,000.00	20,000.00
10/3/19	7104	200001 100001	Invoice: 2020-1 WATERTOWN INDUSTRIAL CENTER	1,250.00	1,250.00
10/17/19	7105	200001 100001	Invoice: 11274 AUBERTINE & CURRIER	2,500.00	2,500.00
10/17/19	7106	200001 100001	Invoice: 10-10-19 ConTegra Services, Inc	5,440.90	5,440.90
10/17/19	7107	200001 200001 100001	Invoice: 13811 Invoice: 13745 JAKES LAWN CARE	350.00 1,400.00	1,750.00
10/17/19	7108	200001 100001	Invoice: 10/19 PAINFULL JEFFERSON COUNTY INDUSTRIAL	565.35	565.35
10/17/19	7109	200001 100001	Invoice: 2020-1 JEFF COUNTY LDC	50,031.41	50,031.41
10/17/19	7110	200001 100001	Invoice: 10/19 PAINFULL SACKETS HARBOR LDC	424.02	424.02
10/17/19	7111	200001 100001	Invoice: 22730 JOHNSON NEWSPAPER CORPORATION	61.16	61.16
10/17/19	7112	200001 100001	Invoice: 10/19 SANDWICH JEFFERSON COUNTY INDUSTRIAL	358.55	358.55
10/17/19	7113	200001 100001	Invoice: 10/19 SANDWICH SACKETS HARBOR LDC	358.06	358.06
10/29/19	7114	200001 200001 100001	Invoice: 2187 Invoice: 2189 JEFF COUNTY LDC	1,162.62 1,291.80	2,454.42
10/29/19	7115	200001 100001	Invoice: 88970 NATIONAL ASSOCIATION OF	1,250.00	1,250.00
10/29/19	7116	200001 200001 200001 100001	Invoice: 10-2019 E Invoice: 10-19 ELECT Invoice: 10-19 ELECTRICITY NATIONAL GRID	15.72 15.72 217.85	249.29
10/29/19	7117	200001 100001	Invoice: 2776 P & M CONSTRUCTION	520.00	520.00
10/29/19	7118	200001 200001 100001	Invoice: 0000011 Invoice: 0001851 CITY OF WATERTOWN COMPTROLLER	2,254.22 126.67	2,380.89
10/30/19	7119	205602 100001	BALANCE OF 10/19 SANDWICH SACKETS HARBOR LDC	0.50	0.50
Total				115,032.27	115,032.27

Jefferson County Industrial Development Agency
Fund Activity Report - Period Ending October 31, 2019

PILOTS

Current Month Receipts 375,260.80

Delinquent Accounts:	Amount Due	Due Date
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Revolving Loan Fund

Cash Balance	\$ 3,851,104.69
Less: Commitments	\$ -
Cash Available	<u>\$ 3,851,104.69</u>

Current Month Receipts	80,566.35
RLF Receivables	577,969.99

Delinquent Accounts:	Monthly Payment	Last Payment	Months Delinquent	Total Due
				-
				-
				-

Microenterprise Loan Fund

Funds Available	\$ 70,206.48
Less: Commitments	\$ -
Cash Available	<u>\$ 70,206.48</u>

Current Month Receipts	11,051.96
MICRO Receivables	316,657.61

Delinquent Accounts:	Monthly Payment	Last Payment	Months Delinquent	Total Due
				0.00
				0.00
Taste of Design	269.78	9/6/2019	2	539.56

City Loan Fund

Funds Available	\$ 121,235.04
Less: Commitments	\$ -
Cash Available	<u>\$ 121,235.04</u>

Current Month Receipts	4,033.72
CITY Receivables	157,091.26

Loan Receivable - Ken Rogers	\$ 21,635.33
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Jefferson County Industrial Development Agency
Revolving Loan Fund Receivables
October 31, 2019

	Recipient	Date Issued	Original Amount	Current Balance	Current Status	Purpose of Loan
1	Benchmark Family Services	January-03	326,000.00	155,599.64	Current	Build Specialized Daycare/Nursery
2	LCO Destiny, LLC	January-08	250,000.00	0.00	Paid	Working Capital
2	Meadowbrook Terrace	August-12	250,000.00	100,997.56	Current	Working Cap During Construction
2	MLR, LLC	May-05	150,000.00	8,253.35	Current	Construct Refrigeration Warehouse
2	MLR, LLC	July-07	250,000.00	115,907.98	Current	Expand Warehouse
6	Wright Bros, LLC	June-12	241,743.00	196,938.46	Current	Purchase Building
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
	Total RLF Receivables		1,467,743.00	577,696.99	-	

Jefferson County Industrial Development Agency
MICRO Loan Fund Receivables
October 31, 2019

	Recipient	Date Issued	Original Amount	Current Balance	Current Status	Purpose of Loan
1	Above Reality Sports Complex	May-19	40,000.00	37,632.52	Current	Open VR Sports Complex
2	Colleens Cherry Tree Inn	May-19	40,000.00	34,950.54	Current	Expand Restaurant - Ice Ceram Shop
3	R. L. Gould & Son, LLC	March-19	40,000.00	35,712.37	Current	Open UPS Store
4	TI Area Habitat For Humanity	April-18	40,000.00	29,660.52	Current	Open ReStore
5				0.00		
6	Main Street Crafts & Drafts	Sep-18	7,150.00	5,842.84	Current	Craft Shop & Bar
7	Medical Gas Technologies	Jun-15	40,000.00	6,654.18	Current	Service Medical Gas Systems
8	Mr. Ricks Bakery	Apr-15	40,000.00	13,056.20	Int. Only	Expand Existing Bakery
9	Mr. Ricks Bakery-2	Apr-18	20,000.00	18,212.45	Int. Only	Working Capital
10	Painfull Acres	Mar-18	40,000.00	32,559.95	Current	Amish Furniture Store
11	RC Spot, LLC	Mar-16	50,015.47	15,785.93	Current	Craft Brewery & Restaurant
12	Dan B. Sampson II	Mar-18	30,000.00	19,141.41	Current	Smoothie Bar
13	The Sandwich Bar	Feb-19	19,000.00	17,019.70	Current	Restaurant
14	The Scrub Hub	Apr-18	18,656.00	13,813.72	Current	Scrubs Clothing
15	Serv-Pro	Jan-17	20,000.00	8,879.72	Current	Water/Fire Damage Clean Up
16	Sackets Harbor Trading Company	Jan-06	40,000.00	6,598.37	Current	Retail Local Products
17	Taste of Design	Apr-07	40,000.00	21,137.19	Delinquent	Coffee Shop
18						
19						
20						
21						
22						
23						
24						
	Total RLF Receivables		524,821.47	316,657.61	-	

Jefferson County Industrial Development Agency
City Loan Fund Receivables
October 31, 2019

	Recipient	Date Issued	Original Amount	Current Balance	Current Status	Purpose of Loan
1	Current Applications	Apr-15	101,403.00	86,804.54	Current	Manufacturing Plant Expansion
2	Current Applications	Jan-16	150,000.00	70,286.72	Current	Purchase CNC Equipment
3						
4						
5						
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	Total RLF Receivables		251,403.00	157,091.26	-	

**Jefferson County Industrial Development Agency
(Jefferson County Civic Facility Development Corporation)
Audit Committee Meeting Minutes
October 10, 2019**

The Jefferson County Industrial Development Agency (Jefferson County Civic Facility Development Corporation) held an audit committee meeting on Thursday, October 10, 2019 in the board room, 800 Starbuck Avenue, Watertown, NY.

Present: John Jennings, Chair, Robert Aliasso, Paul Warneck

Also Present: Donald Alexander, Lyle Eaton, Peggy Sampson, Bryan Olson and Liz Bush from Bowers & Company

Excused: None

Absent: None

- I. **Call to Order:** The meeting was called to order at 8:03 a.m.
- II. **Pledge of Allegiance:** Mr. Jennings asked all to stand for the Pledge of Allegiance.

III. Engage Audit Firm:

A pre-audit meeting to engage Bowers & Company to complete the 2018-2019 audit.

Mr. Olson asked the committee and staff members if there were any fraud or illegal acts; no one was aware of any. Mr. Olson asked if there was any litigation; Mr. Alexander said no.

Mr. Olson asked if any reimbursements were received from the federal grants for the Airport Park project. Mr. Eaton said no but said that \$50,000 was received from Empire State Development. Mr. Olson said to keep in mind that the threshold for a single audit is \$750,000.

Mr. Olson asked if there were any questionable/problem loans. Mr. Eaton said that Wright Brothers, LLC is still marginal but is current at this time. He said that Mr. Rick's Bakery may become an issue but noted that they are currently paying interest only as required.

Mr. Olson asked if any new loans were issued. Mr. Eaton said yes and indicated that there were several new MICRO loans.

The audit has been scheduled to start on November 4, 2019. Liz Bush will be the lead partner (second year).

Mr. Olson presented the engagement letter. The fee is \$10,000 plus \$375 for information returns. It was noted that the JCIDA audit will include the JCCFDC. Mr. Eaton will provide Mr. Olson with a list of the loan balances and will present him with a trial balance soon.

A motion was made by Mr. Aliasso to recommend approval of the engagement letter to the full board of directors, seconded by Mr. Warneck. All in favor.

- IV. **Adjournment:** With no further business before the committee, a motion to adjourn was made by Mr. Warneck, seconded by Mr. Aliasso. The meeting adjourned at 8:16 a.m.

DRAFT

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

**Resolution Number 11.07.2019.01
to Engage Auditors for Annual Audit**

WHEREAS, the Audit Committee met on October 10, 2019 to meet with Bowers & Company CPAs PLLC, and

WHEREAS, Bowers & Company presented an engagement letter to audit the financial statements for the year ended September 30, 2019. The fee will be \$10,000 for the audit and \$375 for the preparation of information returns, and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Jefferson County Industrial Development Agency that it herein approves the recommendation as set forth in this Resolution, and be it further,

RESOLVED, that the Chairman, Vice Chairman, Secretary, and/or Chief Executive Officer are authorized and directed to execute any and all documents necessary to carry out the purposes of this Resolution.

This resolution shall take effect immediately.

W. Edward Walldroff
Secretary



BOWERS & COMPANY CPAs PLLC

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

October 4, 2019

To the Board of Directors
Jefferson County Industrial Development Agency
800 Starbuck Avenue
Watertown, NY 13601

We are pleased to confirm our understanding of the services we are to provide Jefferson County Industrial Development Agency for the year ended September 30, 2019. We will audit the financial statements of the governmental activities, including the related notes to the financial statements, which collectively comprise the basic financial statements, of Jefferson County Industrial Development Agency as of and for the year ended September 30, 2019. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Jefferson County Industrial Development Agency's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Jefferson County Industrial Development Agency's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis.

We have also been engaged to report on supplementary information other than RSI that accompanies Jefferson County Industrial Development Agency's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditors' report on the financial statements:

- 1) Combining Statements of Fund Net Position - Jefferson County Industrial Development Agency and Component Units.
- 2) Combining Statements of Fund Revenues, Expenses and Changes in Fund Net Position - Jefferson County Industrial Development Agency and Component Units.
- 3) Combining Statement of Fund Net Position – Component Units.
- 4) Combining Statement of Fund Net Position.
- 5) Combining Statement of Fund Revenues, Expenses and Changes in Fund Net Position.

120 Madison Street, 1700 AXA Tower II, Syracuse, NY 13202 Phone: 315.234.1100 • Fax: 315.234.1111
1120 Commerce Park Drive East, Watertown, NY 13601 Phone: 315.788.7690 • Fax: 315.788.0966

www.bcpllc.com

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of Jefferson County Industrial Development Agency and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of Jefferson County Industrial Development Agency's financial statements. Our report will be addressed to the Board of Directors of Jefferson County Industrial Development Agency. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit, we become aware that Jefferson County Industrial Development Agency is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate with management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Jefferson County Industrial Development Agency's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist in preparing the financial statements and related notes of Jefferson County Industrial Development Agency in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, establishing and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report.

You are responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Agency; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Bowers & Company CPA's, PLLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to U.S. Department of Housing and Urban Development or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Bowers & Company CPA's, PLLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the U.S. Department of Housing and Urban Development. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately November 4, 2019 and to issue our reports within a reasonable time. Elizabeth Bush is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fees will be \$10,000 for the audit and \$375 for the preparation of information returns. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

To ensure that Bowers & Company CPAs PLLC's independence is not impaired under the AICPA Code of Professional conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

It is hereby understood and agreed that this engagement is being undertaken solely for the benefit for Jefferson County Industrial Development Agency and that no other person or entity shall be authorized to enforce the terms of the engagement.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

We appreciate the opportunity to be of service to Jefferson County Industrial Development Agency and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Banner & Company

RESPONSE:

This letter correctly sets forth the understanding of Jefferson County Industrial Development Agency.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

**Jefferson County Industrial Development Agency
Loan Review Committee Meetings Minutes
October 31, 2019**

Present: Robert Aliasso, Chair, John Jennings, David Converse

Also Present: Don Alexander, David Zembiec, Lyle Eaton, Joy Nuffer, William Johnson, Richard C. McNeely

Excused: None

I. Call to Order: Chair Aliasso called the meeting to order at 8:02 a.m.

II. Pledge of Allegiance

III. RBM Manufacturing Corp. – A request for a Revolving Loan in the amount of \$200,000 for working capital. Staff recommended an exception to the normal terms. Mr. Eaton said that he is recommending the \$200,000 loan with interest only for six months, then 3% for five years. Collateral will be a second lien position on the assets of the Corporation and personal guarantees of Richard C. and Rhonda McNeely. There are currently 4 jobs and they are projecting to create 9 additional jobs over three years.

Mr. Aliasso led the discussion and Mr. McNeely gave the background information on the business and the franchise details. He stated that they have six trucks at this time doing the subscription advertising, as well as doing events such as the recent Pumpkin Chunkin in Clayton. The franchise portion of the business is getting started with various interested franchisees.

After review and discussion, a motion was made by Mr. Converse, seconded by Mr. Jennings to move the request to the full board at the next monthly meeting. All in favor. Carried.

IV. Oswego Beverage Company LLC d/b/a Eagle Beverage – A request for a PILOT, sales and mortgage recording tax abatement. Mr. Aliasso said that the company plans to build in the Thousand Islands Agricultural Park located on Route 3, Watertown, NY.

Committee Members reviewed the application and cost benefit analysis. There was discussion about the business moving from a leased location to the Park where the company would take ownership of a portion of about 3.13 acres. They have a very small retail location at their present place (less than 10%) and would add to that slightly; but would also build a new cross-deck warehousing facility that would allow them to provide distribution to Jefferson and Lewis County retailers. There will also be a bottle and can redemption services available to the public from this location. Mr. Eaton stated that he verified the existing jobs with the NYS-45 and states that the salaries are significant.

Mr. Eaton said the estimated sales tax is \$38,480, the estimated mortgage recording tax is \$5,394 and the estimated real estate tax savings will be \$117,078. Since the savings are over \$100,000 a public hearing is required.

**Jefferson County Industrial Development Agency
Loan Review Committee Meetings Minutes
October 31, 2019**

After review and discussion, a motion was made by Mr. Jennings, seconded by Mr. Converse to move the request to the full board at the next monthly meeting. All in favor. Carried.

- V. Other/Unfinished Business:** None.
- VI. Adjournment:** With no further business before the committee, a motion was made by Mr. Converse to adjourn the meeting, seconded by Mr. Jennings. The meeting adjourned at 9:15 a.m.

**Jefferson County Industrial Development Agency
Loan Review Committee**

Date: 10/29/2019

Borrower: RBM Manufacturing

Amount: 200,000.00

Terms: Interest Only for six months, then 3% for 5 years
(Exception to normal terms.)

Project: Working Capital

RBM Manufacturing Corp is a "C" Corporation owned by Richard C. McNeely and Rhonda McNeely.
A complete description of the company and the Business Plan is included with the Application.

Proforma Income:

	2019	2020	2021	2022
Sales	419,995	1,294,995	2,325,000	3,545,000
CGS	244,000	794,000	1,435,000	2,186,000
Gross Profit	175,995	500,995	890,000	1,359,000
Total Expenses	373,395	393,292	491,208	722,924
Net from Operations	-197,400	107,703	398,792	636,076
Other Income- Exp	-14,243	-21,676	-140,814	-136,192
Net Income	-211,643	86,027	257,978	499,884

Detail proforma Balance Sheets and Income Statements attached.

Employment Plan:

	Salary Level	Retained	Created Year 1	Created Year 2	Created Year 3	Total Jobs Created
Shop Manager	45,000	1	0	0	0	0
Fabricator	30,000	1	0	1	0	1
Shop Assistant	26,000	1	1	0	1	2
Uplifter/Tester	26,000	1	1	1	2	4
Staff Accountant	25,000	0	0	1	0	1
Production Manager	35,000	0	0	0	1	1
		4	2	3	4	9

Est Salary Retained	127,000
Est Salary New Hires	246,000
Est Total Annual	373,000

Collateral:

Second position lien on the assets of the Corporation, and Personal Guarantees of Richard C. and Rhonda McNeely.

Recommendation:

Staff recommends an exception to normal terms. We recommend six months interest only and a 60 month amortization at 3% interest.

DRAFT

**JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Resolution Number 11.07.2019.02**

**RESOLUTION FOR AUTHORIZING A REVOLVING LOAN TO
RBM MANUFACTURING CORP.**

WHEREAS, RBM Manufacturing Corp. has requested a Revolving Loan in the amount of Two Hundred Thousand Dollars (\$200,000.00) to be used for working capital, and

WHEREAS, Staff has reviewed this request and recommends an exception to the normal terms. Staff recommends approval of a JCIDA Revolving Loan in the amount of \$200,000.00, interest only for six months, then 3% for five years. Collateral will be a second position lien on the assets of the Corporation and personal guarantees of Richard C. McNeely and Rhonda McNeely. There are currently 4 jobs and they are projecting to create 9 additional jobs over three years, and

WHEREAS, on October 29, 2019 the Loan Review Committee of the Jefferson County Industrial Development Agency reviewed this request and recommended approval to the full Board of Directors, and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Jefferson County Industrial Development Agency that it herein approved the request for a Two Hundred Thousand Dollar (\$200,000.00) loan to RBM Manufacturing Corp. with all terms and conditions as set forth in this Resolution, and be it further,

RESOLVED, that the Chairman, Vice Chairman, Secretary and/or Chief Executive Officer are authorized and directed to execute any and all documents necessary to carry out the purposes of this Resolution.

This resolution shall take effect immediately.

W. Edward Walldroff
Secretary

CONSENT AND LOAN MODIFICATION AGREEMENT
(COMM 2014-CR21; Loan No. M030308507)

THIS CONSENT AND LOAN MODIFICATION AGREEMENT (the “**Agreement**”) is executed as of _____, 2019 (the “**Effective Date**”), by and between **WELLS FARGO BANK, NATIONAL ASSOCIATION, AS TRUSTEE, FOR THE BENEFIT OF THE HOLDERS OF COMM 2014-CCRE21 MORTGAGE TRUST COMMERCIAL MORTGAGE PASS-THROUGH CERTIFICATES (“Lender”)**, having an address in c/o Midland Loan Services, CMBS Surveillance Department, 10851 Mastin, Suite 300, Bldg 82, Overland Park, KS 66210, Re: COMM 2014-CR21, Loan No. M030308507, and **PRESERVE AT AUTUMN RIDGE I LLC**, a Delaware limited liability company (“**Borrower**”), having an address at 1080 Pittsford-Victor Road, Suite 100, Pittsford, New York 14534, with joinder by **MP KofP JV LLC**, a Delaware limited liability company (“**Acquiring Interest Owner**”). All capitalized terms used herein but not defined herein shall have the meaning ascribed to such terms in the Loan Agreement/Security Instrument (as hereinafter defined).

RECITALS

A. Borrower is the current owner of fee title to that certain real property (“**Land**”) and the buildings and improvements thereon (“**Improvements**”), commonly known as “Preserve at Autumn Ridge” located in the City of Watertown, County of Jefferson, State of New York, more particularly described in **Exhibit A** attached hereto and made a part hereof (the Land and the Improvements are hereinafter sometimes collectively referred to as the “**Property**”).

B. Lender is the current owner and holder of a loan (“**Loan**”) in the original principal amount of \$36,750,000.00 made pursuant to the terms of that certain Loan Agreement (the “**Loan Agreement**”) dated as of August 26, 2014, between Arbor Commercial Mortgage, LLC (“**Original Lender**”), which Loan is evidenced and/or secured by the Loan Documents described in the Loan Agreement or documents described on **Exhibit B** attached hereto, as all of the same have been or may be amended, restated, supplemented or otherwise modified from time to time (collectively referred to as the “**Loan Documents**”). The Loan is secured in part by the Property, which Property is described in and encumbered by the “**Security Instrument**” described on **Exhibit B**.

C. Borrower requested Lender consent to the following actions (the “**Requested Actions**”): (i) the contribution (the “**Contribution**”) by Morgan Watertown Holdings LLC, a New York limited liability company, of 100% of the membership interest in Borrower held by it as Borrower’s sole member to Acquiring Interest Owner; (ii) immediately subsequent to the Contribution, a change in the name of Borrower to Preserve at Autumn Ridge (Phase I) Owner KofP LLC, and the amendment and restatement of Borrower’s operating agreement; and (iii) Borrower’s having previously entered into a management agreement with MP KOPF Management, LLC (“**Property Manager**”) dated as of July 15, 2019, without having acquired Lender’s prior written consent (the “**Change in PM Default**”).

D. The Requested Actions are prohibited by the terms of the Loan Documents without first obtaining the written consent of Lender thereto.

E. Lender has consented to the Requested Actions, pursuant and subject to the terms hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE 1

BORROWER ACKNOWLEDGMENTS, WARRANTIES, REPRESENTATIONS AND COVENANTS

As a material inducement to Lender to enter into this Agreement and to consent to the Requested Actions, Borrower acknowledges, represents and warrants to, and covenants and agrees with, Lender as follows:

1.1 Incorporation of Recitals. Each of the Recitals set forth above in this Agreement are true and correct and incorporated into this Agreement by reference.

1.2 Authority of Borrower.

(i) Borrower. Borrower is a duly organized, validly existing limited liability company in good standing under the laws of the State of Delaware and is qualified to transact business in the State of New York. Morgan Watertown Holdings LLC is the sole member of Borrower ("**Sole Member**"). Sole Member, acting alone without the joinder of any member of Borrower or any other party, has the power and authority to execute this Agreement on behalf of and to duly bind Borrower under this Agreement. The execution and delivery of, and performance under, this Agreement and any and all other documents required by Lender or otherwise executed by Borrower in connection with Lender's consent to the Requested Actions (collectively, the "**Consent Documents**") by Borrower have been duly and properly authorized pursuant to all requisite limited liability company action and will not (x) violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to Borrower or the articles of organization, certificate of formation, operating agreement, limited liability company agreement or any other organizational document of Borrower or (y) result in a material breach of or constitute or cause a default under any indenture, agreement, lease or instrument to which Borrower is a party or by which the Property may be bound or affected.

(ii) Sole Member. Sole Member is a duly organized, validly existing limited liability company in good standing under the laws of the State of New York. Robert C. Morgan ("**Authorized Signatory**") Authorized Signatory, acting alone without the joinder of any other member or manager of Sole Member or any other party, has the power and authority to execute this Agreement on behalf of and to duly bind Sole Member and Borrower under this Agreement and the other Consent Documents to which Borrower is a party. The execution and delivery of, and performance under, this Agreement and the other Consent Documents to which Borrower is a party by Sole Member on behalf of Borrower have been duly and properly authorized pursuant to all requisite limited liability company action and will not (x) violate any

provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to Sole Member or the certificate of formation or the limited liability company agreement or any other organizational document of Sole Member or (y) result in a breach of or constitute or cause a default under any indenture, agreement, lease or instrument to which Sole Member is a party or by which the Property may be bound or affected.

1.3 Loan Documents. The Loan Documents to which Borrower is a party constitute the valid and legally binding obligations of Borrower, enforceable against Borrower and the Property in accordance with their terms. This Agreement and the execution of other documents contemplated hereby do not constitute the creation of a new debt or the extinguishment of the debt evidenced by the Loan Documents, nor will they in any way affect or impair the liens and security interests created by the Loan Documents, which Borrower acknowledges to be valid and existing liens and security interests in the Property. Borrower agrees that the lien and security interests created by the Loan Documents continue to be in full force and effect, unaffected and unimpaired by this Agreement or by the Requested Actions or any collateral described in financing statements filed in connection with the Loan Documents and that said liens and security interests shall so continue in their perfection and priority until the debt secured by the Loan Documents is fully discharged. Borrower has no defenses, setoffs, claims, counterclaims or rights of defense, rights of setoff or counterclaim, whether legal, equitable or otherwise, to the obligations evidenced by or set forth in the Loan Agreement, the Security Instrument, the Note (as described on **Exhibit B**), or any of the other Loan Documents or causes of action of any kind or nature whatsoever against Lender, and Midland Loan Services, a Division of PNC Bank, N.A. ("**Master Servicer**") and LNR Partners, LLC ("**LNR**") and any and all other parties appointed and/or serving as servicers of the Loan (collectively, "**Servicer**"), all subsidiaries, parents and affiliates of Lender and Servicer and each of the foregoing parties' predecessors in interest, and each and all of their respective past, present and future partners, members, certificateholders, officers, directors, employees, agents, contractors, representatives, participants and heirs and each and all of the successors and assigns of each of the foregoing (collectively, "**Lender Parties**") with respect to (i) the Loan, (ii) the Note, (iii) the Security Instrument, (iv) any of the other Loan Documents, (v) the indebtedness secured by the Loan Documents ("**Indebtedness**"), and (vi) any other documents or instruments now or previously evidencing, securing or in any way relating to the Loan. To the extent Borrower would be deemed to have any such defenses, affirmative defenses, setoffs, claims, counterclaims, crossclaims or causes of action as of the Effective Date, Borrower knowingly waives and relinquishes them.

1.4 Affirmation of Obligations of Borrower. Borrower hereby affirms the existence and the validity of its obligations and the other provisions in the Security Instrument, the Loan Agreement, the Note and the other Loan Documents in accordance with their respective terms and conditions. Borrower further confirms that nothing in this Agreement nor the Requested Actions shall release, waive, lessen, compromise or otherwise affect its obligations under, and Borrower agrees to continue to abide by and be bound by all of the terms of the Loan Documents to which it is a party, including but not limited to, the representations, warranties, covenants, assurances and indemnifications therein. Borrower further agrees to pay, perform, and discharge each and every obligation of payment and performance under, pursuant to and as set forth in the Security Instrument, the Loan Agreement, the Note and the other Loan Documents at the time, in the manner and otherwise in all respects as therein provided.

1.5 Transfer of Interests. Except for the Requested Actions, no holder of a direct or indirect beneficial ownership interest in Borrower has assigned, transferred, pledged or otherwise disposed of all or any part of its beneficial ownership interests in Borrower.

1.6 No Event of Default. With the exception of the Change in PM Default and the Forfeiture Action (hereinafter defined), to the best of knowledge of Borrower, no event, fact or circumstance has occurred or failed to occur which constitutes, or with the lapse or passage of time, giving of notice or both, could constitute an Event of Default under the Loan Documents. As used herein, "**Forfeiture Action**" means that certain civil case filed against the Property as Case 1:19-cv-01157-EAW, filed August 28, 2019 in the United States District Court for the western District of New York, styled "United States of America vs. The Premises and Real Property with all Buildings, Appurtenances, and Improvements, Located at [the Property]".

1.7 Condemnation. There are no pending or, to the best of knowledge of Borrower, threatened condemnation proceedings or annexation proceedings affecting the Property, nor any agreements to convey any portion of the Property, or any rights thereto to any person or entity, including, without limitation, any government or governmental agency.

1.8 Liens. With the exception of the lis pendens filed against the Property in connection with the Forfeiture Action (the "**Lis Pendens**"), Borrower has not received written notice, and has no actual knowledge of, any mechanics' liens or liens for unpaid taxes or assessments encumbering the Property other than those not yet due and payable, the Permitted Encumbrances and any matters reflected on any title commitment, title report or title endorsement delivered to and accepted in writing by Lender in connection with this Agreement, nor has Borrower received written notice of a Lien or notice of intent to file a Lien against all or any portion of the Property that is not expressly permitted under the Loan Documents. Borrower has not filed or caused to be filed or conducted any acts or omitted to perform any obligations which would cause others to have the right to file a Lien against all or any portion of the Property. Borrower and Current Indemnitor (as defined in Exhibit B attached hereto), jointly and severally, agree to reimburse, indemnify and hold Lender Parties harmless from and against all Indemnification Costs (as defined below), which may now or in the future be undertaken, suffered, paid, awarded, assessed or otherwise incurred as a result of or arising out of any breach of any of the representations or warranties made in this Section.

1.9 Financial Statements. The financial information regarding Borrower and Morgan Realty Partners, LP, a Delaware limited partnership ("**New Indemnitor**") and the Property supplied by, or on behalf of, Borrower or New Indemnitor in connection with Borrower's request for Lender consent to the Requested Actions (collectively, the "**Financial Information**") were, in all material respects, true and correct on the dates of such items, and since such dates, no material adverse change in the financial condition of Borrower or the Property has occurred, and with the exception of the Forfeiture Action, there is no pending or, to the best knowledge of Borrower, threatened litigation or proceedings of any kind which might materially impair the business or financial condition of Borrower, New Indemnitor or the Property. Borrower acknowledges that the Financial Information has been provided to Lender to induce Lender to consent to the Requested Actions and to enter into this Agreement and any of the other Consent Documents to which it is a party and is being relied upon by Lender for such purposes.

1.10 Organizational Chart. The organizational chart attached hereto as **Exhibit C** is a true and correct representation of Borrower's ownership structure immediately following the consummation of the Requested Actions.

1.11 Legal Proceedings. There is no action, proceeding or investigation pending or, to the best knowledge of Borrower, threatened in writing which questions, directly or indirectly, the validity or enforceability of this Agreement, any of the other Consent Documents or any of the Loan Documents applicable to Borrower, or any action taken or to be taken pursuant hereto or thereto which might result in any material adverse change in the condition (financial or otherwise) or business of Borrower.

1.12 Acknowledgement of Indebtedness. Borrower confirms that, and by its execution hereof, Lender confirms that, to its actual knowledge: (a) as of _____, 2019, the outstanding principal balance of Note was \$_____, and (b) and the following escrow and reserve balances are being held by Lender: (i) a tax escrow balance of \$_____; and (ii) an insurance escrow balance of \$_____. In the event of any error in, or omission from, the foregoing, Lender shall not be prejudiced, limited, or estopped, in any way in its right to charge, collect and receive any and all monies lawfully due Lender under the Loan Documents. Borrower acknowledges and agrees that the Loan, as evidenced and secured by the Note and the other Loan Documents, is a valid and existing indebtedness payable by Borrower to Lender.

1.13 Rent Roll. The Rent Roll ("**Rent Roll**") attached hereto and made a part hereof as **Exhibit D** is a true, complete and accurate summary of all tenant leases ("**Leases**") affecting the Property as of the date of this Agreement.

1.14 Leases. The Leases are the only leases affecting the Property and are currently in full force and effect. Borrower has not been notified of any landlord default under any of the Leases; there are no leasing broker's or finder's commissions of any kind due or to become due with respect to the Leases or the Property; the rents and security deposits under the Leases shown on the Rent Roll are true and correct; Borrower has not received any prepaid rents or given any concessions for free or reduced rent under the Leases and will not accept any prepaid rents for more than one month in advance.

1.15 Property Management. Borrower has entered into a Property Management Agreement with Property Manager for the management of the Property (the "**New Management Agreement**"). The term "**Management Agreement**" or "**management agreement**" or such other similar term in the Loan Documents shall subsequently refer to the New Management Agreement. The term "**Property Manager**" or such other similar term in the Loan Documents shall subsequently refer to the Property Manager. Borrower covenants and agrees to comply with and to cause the Property Manager to comply with all terms of the Loan Documents concerning the management of the Property, including without limitation the obligation to obtain Lender's consent to the management of the Property by any entity other than Property Manager. Property Manager shall execute and deliver to Lender a subordination of the New Management Agreement in form acceptable to Lender.

1.16 Independent Manager/Director. There will be no change in the independent manager of Borrower in connection with the Requested Actions. Each of Jennifer A. Schwartz and Steven P. Zimmer are and shall continue to be the Independent Managers of Borrower.

1.17 Bankruptcy. None of Borrower or, to the best of knowledge of Borrower, New Indemnitor or Acquiring Interest Owner or any managers, members, affiliates or other entities which may be owned or controlled directly or indirectly by Borrower, Acquiring Interest Owner or New Indemnitor (collectively, the "**Borrower Parties**"), has any intent to file any voluntary petition under any Chapter of the Bankruptcy Code, Title 11, U.S.C.A. ("**Bankruptcy Code**"), or in any manner to seek any proceeding for relief, protection, reorganization, liquidation, dissolution or similar relief for debtors ("**Debtor Proceeding**") under any local, state, federal or other insolvency law or laws providing relief for debtors or (b) directly or indirectly to intentionally cause any involuntary petition under any Chapter of the Bankruptcy Code to be filed against Borrower, or (c) directly or indirectly to intentionally cause the Property or any portion or any interest of Borrower in the Property to become part of any bankrupt estate or the subject of any Debtor Proceeding.

1.18 Single Purpose Entity Status. The Requested Actions shall not result in any changes to the single purpose nature and bankruptcy remoteness of Borrower. Borrower has been and is in compliance with the covenants set forth in Section 4.4 of the Loan Agreement and any other applicable provisions of the Loan Documents. Borrower's organizational documents have not been modified since the origination of the Loan, nor were they modified in connection with the Requested Actions other than as set forth in the Amended and Restated Operating Agreement certified to Lender by Acquiring Interest Owner in connection with the Requested Actions.

1.19 Non-Consolidation Opinion. Borrower has conducted its business so that all of the assumptions made with respect to Borrower set forth in the non-consolidation opinions delivered in connection with the origination of the Loan and in the non-consolidation opinion dated on or about the date of this Agreement are true and correct in all material respects. Further, all of the factual assumptions in that certain non-consolidation opinion letter dated as of the Effective Date by _____ in connection with the Requested Actions are true and correct in all material respects relating to Borrower or any of the other Borrower Parties.

1.20 No Modification. Except as expressly provided herein, all of the terms, covenants and conditions of the Loan Documents shall continue in full force and effect unmodified notwithstanding the consummation of the Requested Actions.

1.21 Assets of Borrower. The only assets of Borrower are the Property, the Leases and cash or cash equivalents and incidental personal property of the Property necessary for the operation of the Property.

1.22 Consents. Borrower has obtained, and provided Lender true and correct copies of, all consents to the Requested Actions required to be obtained by Borrower under any applicable agreement, instrument, document, law, rule, or regulation, or, no consents to the Requested Actions are required to be obtained by Borrower under any applicable agreement, instrument, document, law, rule, or regulation.

1.23 Inspections. Other than the Property Condition Report for the Property dated _____, 2019, prepared by _____ under Project No. _____, the Phase I Environmental Site Assessment for the Property dated _____, 2019, prepared by _____ under Project No. _____, and the survey of the Property dated _____, 2019, prepared by _____ under Project No. _____, Acquiring Interest Owner has not obtained any other written inspection reports relating to the Property.

1.24 OFAC List. Borrower Parties will not knowingly permit the transfer of any interests in Borrower Parties to any person or entity (or any beneficial owner of such entity) who is listed on the specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Asset Control, Department of the Treasury pursuant to Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001) and/or any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of Office of Foreign Asset Control, Department of the Treasury or pursuant to any other applicable Executive Orders (such lists are collectively referred to as the “**OFAC Lists**”). Borrower will not knowingly enter into a lease with any party who is listed on the OFAC Lists. Borrower shall promptly notify Lender if Borrower has knowledge that any of Borrower Parties is listed on the OFAC Lists or (A) is indicted on or (B) arraigned and held over on charges involving money laundering or predicate crimes to money laundering. Borrower shall promptly notify Lender if Borrower knows that any tenant is listed on the OFAC Lists or (A) is convicted on, (B) pleads nolo contendere to, (C) is indicted on or (D) is arraigned and held over on charges involving money laundering or predicate crimes to money laundering. Borrower further represents and warrants to Lender on behalf of itself and the other Borrower Parties that none of the Borrower Parties is currently listed on the OFAC Lists.

1.25 Release and Covenant Not To Sue. Borrower, Current Indemnitor, New Indemnitor and Acquiring Interest Owner, on behalf of themselves and each of the other Borrower Parties which any of them have the authority to bind (the “**Releasing Parties**”), and each of their respective successors and assigns, remise, release, acquit, satisfy and forever discharge Lender Parties from any and all manner of debts, accountings, bonds, warranties, representations, covenants, promises, contracts, controversies, agreements, liabilities, obligations, expenses, damages, judgments, executions, actions, inactions, claims, demands and causes of action of any nature whatsoever, at law or in equity, known or unknown, either now accrued or subsequently maturing, which any of Releasing Parties may now have or hereafter can, shall or may have by reason of any matter, cause or thing, from the beginning of the world to and including the date of this Agreement, arising out of or relating to (a) the Loan, (b) the Security Instrument, (c) the Loan Agreement, (d) the Note, (e) any of the other Loan Documents, or (f) any other documents or instruments now or previously evidencing, securing or in any way relating to the Loan. Borrower, on behalf of itself and each of the other Releasing Parties, and each of their respective successors and assigns, covenant and agree never to institute or cause to be instituted or continue prosecution of any suit or other form of action or proceeding of any kind or nature whatsoever against any of Lender Parties by reason of or in connection with any of the foregoing matters, claims or causes of action, but excluding any claims or causes of action resulting from or in connection with this Agreement.

1.26 Information. All information provided to Servicer by any of Borrower Parties and/or Current Indemnitor, or any of their respective employees, officers, directors, partners, members, managers or representatives, in connection with or relating to (a) the Requested Actions, (b) this Agreement or the transactions contemplated hereby or (c) the Property, contains no untrue statement of material fact and does not omit a material fact necessary in order to make such information not misleading, and the provision of any such information by Lender or any Servicer, including, but not limited to, Master Servicer or LNR, to any rating agency is expressly consented to by Borrower Parties and will not infringe upon or violate any intellectual property rights of any party. Borrower Parties, by their execution of this Agreement or the Joinder attached hereto, jointly and severally, agree to reimburse, indemnify and hold Lender Parties harmless from and against any and all liabilities, judgments, costs, claims, damages, penalties, expenses, losses or charges (including, but not limited to, all legal fees and court costs) (collectively, "**Indemnification Costs**"), which may now or in the future be undertaken, suffered, paid, awarded, assessed or otherwise incurred as a result of or arising out of any breach or inaccuracy of the foregoing representations and warranties or any fraudulent or tortious conduct of any Borrower Parties in connection with the Requested Actions, this Agreement or the transactions contemplated hereby, or the Property, including the misrepresentation of financial data presented to Lender.

1.27 Reaffirmations. Borrower reaffirms, affirms and confirms the truth and accuracy of all representations and warranties set forth in the Loan Documents as if made on the Effective Date, in all material respects, except for such representations and warranties for matters which by their nature can no longer be true and correct as a result of the passage of time, and further agrees to continue to abide by all of the covenants set forth in the Loan Documents.

ARTICLE 2

MODIFICATIONS TO LOAN DOCUMENTS AND ADDITIONAL PROVISIONS

2.1 Modification to Loan Documents. From and after the Effective Date, the Loan Documents shall be modified in accordance with the terms set forth in Schedule 2.1 attached to and incorporated into this Agreement.

2.2 Additional Conditions Precedent to the Effectiveness of this Agreement. Without limiting such other conditions to closing as are specified in this Agreement, it is a condition precedent to the effectiveness hereof that Borrower shall have provided Lender with evidence satisfactory to Lender that the Lis Pendens has been released of record and the Property has been released with prejudice from the Forfeiture Action.

2.3 Representations and Warranties. No representation or warranty of Borrower Parties made in this Agreement contains any untrue statement of material fact or intentionally omits to state a material fact necessary in order to make such representations and warranties not misleading in light of the circumstances under which they are made. Any breach by Borrower or by any of the other Borrower Parties of any of the representations, warranties or covenants set forth herein or in the Joinder hereto, after expiration of all applicable notice and cure periods, shall constitute an Event of Default under the Security Instrument, the Loan Agreement, the Note and the other Loan Documents.

2.4 Consent of Lender. Subject to the terms of this Agreement, Lender hereby consents to the Requested Actions. Each of Borrower Parties agrees that neither this Agreement nor Lender's consent to the Requested Actions shall be deemed Lender's consent or a waiver of Lender's right to consent to any other action requiring Lender consent under the Loan Documents that may be contained in any of the documents or items delivered to Lender in connection with the Requested Actions, whether or not such documents or items were reviewed and/or accepted by Lender. Failure to obtain Lender's consent to any such actions requiring Lender consent under the Loan Documents shall constitute a default under the Loan Documents. Neither this Agreement nor Lender's consent to the Requested Actions shall constitute a modification of any of the terms or conditions of the Loan Documents, except as expressly set forth herein.

2.5 Payment of Fees and Expenses. Simultaneously with or prior to the execution of this Agreement, Borrower shall pay to or shall have paid to Lender (i) an application fee in the amount of \$ _____, (ii) a consent fee in the amount of \$ _____, which is ____% of the outstanding principal balance of the Loan as of the Effective Date, (iii) an administration fee equal to \$125.00, (iv) a credit review fee of equal to \$ _____, (v) an insurance review fee equal to \$ _____, and (vi) a flood determination fee equal to \$ _____, each of which are fees for new consideration and are not interest charged in connection with the Loan. Borrower shall also pay at the time of execution of this Agreement the (a) legal fees and expenses of Lender's counsel, Kilpatrick Townsend & Stockton LLP, in connection with the preparation of this Agreement and the transactions contemplated in this Agreement and (b) Rating Agency review fees and costs, if any, incurred by Lender and the legal fees and costs of any such Rating Agency's counsel, if any.

2.6 Further Assurances. Each party hereto shall execute and deliver to the other party such agreements, instruments, documents, financing statements and other writings as may be reasonably requested from time to time by such other party to consummate the transactions contemplated by this Agreement

2.7 References to Loan Documents. All references to the term "Loan Documents" herein, in the Loan Agreement, the Security Instrument and the other Loan Documents shall hereinafter mean and refer to: (i) the Loan Documents described therein; (ii) this Agreement, including any Joinders; and (iii) any and all of the documents now or hereafter executed by Borrower and/or others and by or in favor of Original Lender or Lender, which evidence, secure or guaranty all or any portion of the payments due under the Loan Agreement, Security Instrument, the Note or otherwise are executed and/or delivered in connection with the Security Instrument, the Loan Agreement, the Note, this Agreement or the other Loan Documents.

ARTICLE 3

MISCELLANEOUS PROVISIONS

3.1 Relationship with Loan Documents. To the extent that this Agreement is inconsistent with the Loan Documents, this Agreement will control and the Loan Documents will be deemed to be modified hereby. Except as modified hereby, the Loan Documents shall remain unchanged and in full force and effect.

3.2 No Limitation of Remedies. No right, power or remedy conferred upon or reserved to or by Lender in this Agreement is intended to be exclusive of any other right, power or remedy conferred upon or reserved to or by Lender under this Agreement, the Loan Documents or at law, but each and every remedy shall be cumulative and concurrent, and shall be in addition to each and every other right, power and remedy given under this Agreement, the Loan Documents or now or subsequently existing at law.

3.3 No Waivers. Except as otherwise expressly set forth in this Agreement, nothing contained in this Agreement shall constitute a waiver of any rights or remedies of Lender under the Loan Documents or at law. No delay or failure on the part of any party hereto in the exercise of any right or remedy under this Agreement shall operate as a waiver, and no single or partial exercise of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. No action or forbearance by any party hereto contrary to the provisions of this Agreement shall be construed to constitute a waiver of any of the express provisions. Any party hereto may in writing expressly waive any of such party's rights under this Agreement without invalidating this Agreement.

3.4 Successors or Assigns. Whenever any party is named or referred to in this Agreement, the heirs, executors, legal representatives, successors, successors-in-title and assigns of such party shall be included. All covenants and agreements in this Agreement shall bind and inure to the benefit of the heirs, executors, legal representatives, successors, successors-in-title and assigns of the parties, whether so expressed or not.

3.5 Construction of Agreement. Each party hereto acknowledges that it has participated in the negotiation of this Agreement and no provision shall be construed against or interpreted to the disadvantage of any party hereto by any court or other governmental or judicial authority by reason of such party having or being deemed to have structured, dictated or drafted such provision. Each party has at all times had access to an attorney in the negotiation of the terms of and in the preparation and execution of this Agreement. Each party has had the opportunity to review and analyze this Agreement for a sufficient period of time prior to execution and delivery. No representations or warranties have been made by or on behalf of Lender, or relied upon by Borrower, pertaining to the subject matter of this Agreement, other than those set forth in this Agreement. All oral statements, representations and warranties, if any, are superseded and merged into this Agreement, which represents the final agreement of the parties with respect to the subject matter herein. All of the terms of this Agreement were negotiated at arm's length, and this Agreement was prepared and executed without fraud, duress, undue influence or coercion of any kind exerted by any of the parties upon the others. The execution and delivery of this Agreement is the free and voluntary act of Borrower and Lender.

3.6 Invalid Provision to Affect No Others. If, from any circumstances whatsoever, fulfillment of any provision of this Agreement or any related transaction at the time performance of such provision shall be due, shall involve transcending the limit of validity presently prescribed by any applicable usury statute or any other applicable law, with regard to obligations of like character and amount, then ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity. If any clause or provision operates or would prospectively operate to invalidate this Agreement, in whole or in part, then such clause or provision only shall be

deemed deleted, as though not contained, and the remainder of this Agreement shall remain operative and in full force and effect.

3.7 Notices. The Loan Documents are hereby modified to provide that any and all notices, elections, approvals, consents, demands, requests and responses (“**Communications**”) permitted or required to be given under this Agreement and the Loan Documents shall be effective if in writing, signed by or on behalf of the party giving the same, and sent by certified or registered mail, postage prepaid, return receipt requested, or by hand delivery or overnight courier service (such as Federal Express), to the party to be notified at the address of such party set forth below or at such other address within the continental United States as such other party may designate by notice specifically designated as a notice of change of address and given in accordance with this Section. Any Communications shall be effective upon the earlier of their receipt or three days after mailing in the manner indicated in this Section. Receipt of Communications shall occur upon actual delivery but if attempted delivery is refused or rejected, the date of refusal or rejection shall be deemed the date of receipt. Any Communications given in accordance with this Section shall be deemed to satisfy all general “notice” provisions contained in the Loan Documents. Notice to outside counsel or parties other than the named Borrower, now or hereafter designated by a party as entitled to notice, are for convenience only and are not required for notice to a party to be effective in accordance with this Section. Any Communication, if given to Lender, must be addressed as follows, subject to change as provided above:

Wells Fargo Bank, National Association, as trustee, for the benefit
of the holders of COMM 2014-CCRE21 Mortgage Trust
Commercial Mortgage Pass-Through Certificates
c/o Midland Loan Services
CMBS Surveillance Department
10851 Mastin, Suite 300, Bldg 82
Overland Park, KS 66210
Re: COMM 2014-CR21; Loan No.: M030308507

With a copy to:

LNR Partners, LLC
1601 Washington Avenue, Suite 700
Miami Beach, Florida 33139
Attn: Director of Asset Management
Facsimile: (305) 695-5601
Re: COMM 2014-CR21; Loan No.: M030308507

and, if given to Borrower, must be addressed as follows, notwithstanding any other address set forth in the Loan Documents to the contrary, subject to change as provided above:

Preserve at Autumn Ridge (Phase I) Owner KofP LLC
c/o Morgan Properties
160 Clubhouse Road
King of Prussia, PA 19406
Attn: General Counsel
Facsimile: _____

With a copy to:

Blank Rome LLP
One Logan Square
Philadelphia, Pennsylvania 19103
Attn: Pelayo Coll, Esq.
Facsimile: 215.832.5654

3.8 Governing Law. This Agreement shall be interpreted, construed and enforced in accordance with the provisions of Section 16.4 of the Loan Agreement.

3.9 Headings; Exhibits. The headings of the articles, sections and subsections of this Agreement are for the convenience of reference only, are not to be considered a part of this Agreement and shall not be used to construe, limit or otherwise affect this Agreement.

3.10 Modifications. The terms of this Agreement may not be changed, modified, waived, discharged or terminated orally, but only by an instrument or instruments in writing, signed by the party against whom the enforcement of the change, modification, waiver, discharge or termination is asserted.

3.11 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute one and the same instrument.

3.12 Current Indemnitor Joinder. It shall be a condition to Lender's agreement to consent to the Requested Actions that Current Indemnitor execute and deliver to Lender, simultaneously with Borrower Parties' execution hereof, the Joinder by and Agreement of Current Indemnitor attached hereto.

3.13 New Indemnitor Joinder. It shall be a condition to Lender's agreement to consent to the Requested Actions that New Indemnitor execute and deliver to Lender, simultaneously with Borrower Parties' execution hereof, the Joinder by and Agreement of New Indemnitor attached hereto.

3.14 Agency Joinder. It shall be a condition to Lender's agreement to consent to the Requested Actions that the IDA execute and deliver to Lender, simultaneously with Borrower Parties' execution hereof, the Joinder by and Agreement of Agency attached hereto.

3.15 WAIVER OF JURY TRIAL. BORROWER AND LENDER EACH HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THE LOAN DOCUMENTS OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY BORROWER AND LENDER AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. EACH PARTY IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER.

[NO FURTHER TEXT APPEARS ON THIS PAGE; SIGNATURE PAGES FOLLOW]

The parties have executed and delivered this Agreement as of the day and year first above written.

LENDER:

**WELLS FARGO BANK, NATIONAL
ASSOCIATION, AS TRUSTEE, FOR THE
BENEFIT OF THE HOLDERS OF COMM
2014-CCRE21 MORTGAGE TRUST
COMMERCIAL MORTGAGE PASS-
THROUGH CERTIFICATES**

By: LNR Partners, LLC, a Florida limited
liability company, as attorney-in-fact

By: _____

Name: _____

Title: _____

State of Florida)

ss.:

County of Miami-Dade)

On the ____ day of _____ in the year 2019, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument, and that such individual made such appearance before the undersigned in the City of Miami, Florida.

Signature and Office of individual
taking acknowledgment

BORROWER:

**PRESERVE AT AUTUMN RIDGE I
LLC**, a Delaware limited liability company

By: Morgan Watertown Holdings LLC, a
New York limited liability company
Its Sole Member

By: _____
Robert C. Morgan, Manager

State of New York)

ss.:

County of _____)

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

Signature and Office of individual
taking acknowledgment

Joinder of Acquiring Interest Owner

Acquiring Interest Owner Joins in the execution of this Agreement to confirm the representations and warranties and agrees to the covenants regarding Acquiring Interest Owner set forth in the Agreement, including, but not limited to, the obligation to pay the Indemnification Costs under Section 1.26 of the Agreement.

ACQUIRING INTEREST OWNER:

MP KofP JV LLC, a Delaware limited liability company

By: _____

Name: _____

Title: _____

State of New York)

ss.:

County of _____)

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

Signature and Office of individual
taking acknowledgment

SCHEDULE 2.1

MODIFICATIONS TO LOAN DOCUMENTS

From and after the Effective Date, the Loan Documents shall be modified as follows

(a) All Loan Document

(i) All references to the terms "Lender," "Indemnitee," "Assignee" and "Mortgagee" or similar terms in each of the Loan Documents shall mean and refer to Wells Fargo Bank, National Association, as trustee, for the benefit of the holders of COMM 2014-CCRE21 Mortgage Trust Commercial Mortgage Pass-Through Certificates, together with its successors and assigns.

(ii) All references to "Guarantor" and "Non-Borrower Indemnitor" in each of the Loan Documents shall mean Morgan Realty Partners, LP, a Delaware limited liability company, or any other Person that now or hereafter guarantees any of Borrower's obligations under the Loan Documents.

(b) Loan Agreement:

(i) In Section 4.2, the defined term "Transfer" is modified to include a "Division" pursuant to the Act (including, without limitation, Section 18-217 of the Act),

(ii) Section 4.23 of the Loan Agreement is deleted in its entirety and replaced with the following:

"Section 4.23 Dissolution. Borrower shall not (i) engage in any dissolution, division, liquidation or consolidation or merger with or into any other business entity, (ii) engage in any business activity not related to the ownership and operation of the Property, (iii) transfer, lease or sell, in one transaction or any combination of transactions, all or substantially all of the property or assets of Borrower except to the extent expressly permitted by the Loan Documents, or (iv) cause, permit or suffer Borrower to (A) dissolve, divide, wind up or liquidate or take any action, or omit to take any action, as a result of which Borrower would be dissolved, divided, wound up or liquidated in whole or in part, or (B) amend, modify, waive or terminate the certificate of incorporation, bylaws, certificate of formation or operating agreement of Borrower, in each case without obtaining the prior consent of Lender."

(iii) The following is added to the Loan Agreement as a new Section 4.35:

"4.35 No Division Company. Borrower is not a "Division company" (as such term is defined in Section 18-217 of the Act)."

(iv) The rent roll attached to the Loan Agreement as Schedule I is deleted and replaced with that attached hereto as **Exhibit D**.

(v) The organizational chart attached to the Loan Agreement as Schedule III is deleted and replaced with that attached hereto as **Exhibit C**.

(vi) Schedule V to the Loan Agreement is modified in subsection t(i) thereof to add "divided," after "dissolved,".

(c) Security Instrument:

(i) For purposes of Section 1.03 of the Security Instrument, the names and address of Borrower, as debtor, and Lender, as secured party, respectively, are as follows:

Borrower/Debtor: Preserve at Autumn Ridge I LLC
c/o Morgan Properties
160 Clubhouse Road
King of Prussia, PA 19406
Attn: General Counsel

Lender/Secured Party: Wells Fargo Bank, National Association, as trustee, for the benefit of the holders of COMM 2014-CCRE21 Mortgage Trust Commercial Mortgage Pass-Through Certificates
c/o Midland Loan Services
CMBS Surveillance Department
10851 Mastin, Suite 300, Bldg 82
Overland Park, KS 66210
Re: COMM 2014-CR21; Loan No.: M030308507

EXHIBIT A

LEGAL DESCRIPTION

PHASE 1

All that parcel of land located in the Town of Watertown, County of Jefferson and State of New York, bounded and described as follows:

Beginning at a point at the intersection of the west highway boundary of County Route 202 with the division line between lands conveyed to P. G. Apartments, LLC (Instrument 2012-00004614) on the south and lands conveyed to 20774 Coffeen Street Properties, LLC (Liber 1651, Page 80) on the north; and runs thence from the point of beginning in a generally southerly direction along the west highway boundary of County Route 202 along a curve to the left with a radius of 5779.58 feet an arc distance of 1372.65 feet to a point at the northeast corner of an 8.38 acre parcel conveyed to Watertown Route 202 Holdings, LLC (Instrument 2012-00004618), said point being South 04 degrees 33 minutes 45 seconds East, 1369.42 feet from the last mentioned point; thence along the north and west bounds of said 8.38 acre parcel the four following courses and distances: 1) South 79 degrees 25 minutes 36 seconds West, 210.20 feet to a point; 2) South 51 degrees 04 minutes 53 seconds West, 346.66 feet to a point; 3) South 78 degrees 49 minutes 35 seconds West, 60.28 feet to a point; 4) South 15 degrees 39 minutes 20 seconds East, 485.03 feet to a point at the southwest corner of said 8.38 acre parcel, said point being in the north line of lands conveyed to Sam's Real Estate Business Trust (Instrument 2009-00004395); thence North 85 degrees 14 minutes 51 seconds West, 255.09 feet along said north line to an existing iron pipe at the northwest corner of said lands of Sam's Real Estate Business Trust, said iron pipe being at the northeast corner of lands conveyed to John Robert Phippen, et al. (Instrument 2006-00005942 and Instrument 2006-00005943); thence North 84 degrees 28 minutes 36 seconds West, 798.40 feet along the north line of lands of Phippen to an existing iron pipe at the southeast corner of lands conveyed to Jay Hall (Liber 1537, Page 309); thence North 04 degrees 39 minutes 47 seconds East, 524.03 feet along the east line of lands of Hall to a point; thence South 85 degrees 20 minutes 13 seconds East, 293.81 feet to a point; thence North 03 degrees 23 minutes 41 seconds East, 258.58 feet to a point; thence North 47 degrees 13 minutes 45 seconds East, 239.32 feet to a point; thence North 56 degrees 02 minutes 02 seconds East, 150.10 feet to a point; thence North 52 degrees 15 minutes 05 seconds East, 115.35 feet to a point; thence North 47 degrees 32 minutes 41 seconds East, 140.54 feet to a point; thence North 37 degrees 35 minutes 55 seconds East, 92.59 feet to a point; thence North 23 degrees 14 minutes 49 seconds East, 118.11 feet to a point; thence North 15 degrees 50 minutes 26 seconds East, 68.30 feet to a point; thence North 10 degrees 49 minutes 19 seconds East, 106.89 feet to a point; thence North 07 degrees 16 minutes 49 seconds East, 191.53 feet to a point; thence North 05 degrees 04 minutes 01 seconds East, 103.05 feet to a point; thence South 82 degrees 29 minutes 53 seconds East, 33.08 feet to a point; thence North 05 degrees 04 minutes 00 seconds East, 218.39 feet to a

point in the first mentioned division line between lands of P. G. Apartments, LLC on the south and lands of 20774 Coffeen Street Properties, LLC on the north; thence South 84 degrees 48 minutes 40 seconds East, 272.60 feet along said division line to the point of beginning.

EXHIBIT B

LOAN DOCUMENTS

Non-Exhaustive List of Loan Documents

(All documents are dated as of August 26, 2014, unless otherwise indicated, as assigned to Lender)

1. Promissory Note in the principal amount of \$36,750,000.00, executed Borrower in favor of Original Lender, endorsed to the order of Lender (the **"Note"**).
2. Fee and Leasehold Mortgage executed by Borrower and Jefferson County Industrial Development Agency (**"Agency"**) in favor of Original Lender and recorded as Instrument No. 2014-00011900 in the Public Records of Jefferson County, New York (the **"Records"**) (the **"Security Instrument"**).
3. Assignment of Leases and Rents executed by Borrower in favor of Original Lender and recorded as Instrument No. 2014-00011901 in the Records.
4. Loan Agreement between Borrower and Original Lender (the **"Loan Agreement"**).
5. Environmental Indemnity Agreement executed by Borrower and Robert C. Morgan (**"Guarantor"**) in favor of Original Lender (the **"Environmental Indemnity"**).
6. (a) Guaranty of Recourse Obligations (the **"Recourse Guaranty"**) and (b) Partial Recourse Guaranty (Pilot Program) executed by Guarantor in favor of Original Lender (individually and collectively, as the context requires, with the Recourse Guaranty, the **"Guaranty"**).
7. Assignment of Agreements, Licenses, Permits and Contracts executed by Borrower, in favor of Original Lender.
8. Assignment of Management Agreement and Subordination of Management Fees executed by Borrower, Original Lender and Morgan Management, LLC in favor of Original Lender.
9. Deposit Account Control Agreement (Springing Lockbox) by and among Borrower, Original Lender and Wells Fargo Bank, National Association.
10. Cash Management Agreement among Borrower, Original Lender and Original Manager.
11. UCC Financing Statement reflecting Borrower, as debtor, and Original Lender, as secured party, and recorded as Instrument No. 2014-00011902 in the Records, as amended and/or assigned.

12. UCC Financing Statement reflecting Borrower, as debtor, and Original Lender, as secured party and filed with the Secretary of State of Delaware under File No. 20143540226, as amended and/or assigned.

EXHIBIT C

BORROWER'S POST REQUESTED ACTIONS ORGANIZATIONAL CHART

EXHIBIT C

BORROWER ORGANIZATIONAL CHART

[INTENTIONALLY DELETED FOR RECORDING PURPOSES]

EXHIBIT D

RENT ROLL

EXHIBIT D

RENT ROLL

[INTENTIONALLY DELETED FOR RECORDING PURPOSES]

JOINDER BY AND AGREEMENT OF CURRENT INDEMNITOR

The undersigned, **ROBERT C. MORGAN**, an individual ("**Current Indemnitor**"), being the Current Indemnitor referred to in the Consent Agreement (the "**Consent Agreement**") to which this Joinder by and Agreement of Current Indemnitor (the "**Current Indemnitor Joinder**") is attached, hereby joins in the execution of the Consent Agreement to reaffirm its obligations under the Guaranty and the Environmental Indemnity (as such terms are defined in the Consent Agreement), and to represent and warrant to, and acknowledge and agrees with, Lender the following:

1. **Defined Terms.** All capitalized terms used in this Current Indemnitor Joinder, unless defined herein, shall have the meanings given such terms in the Consent Agreement or in the Loan Agreement, as amended by the terms of the Consent Agreement.

2. **Reaffirmation of Guaranty and Environmental Indemnity.** The Guaranty and the Environmental Indemnity constitute the valid, legally binding obligation of Current Indemnitor, enforceable against Current Indemnitor in accordance with its terms. By Current Indemnitor's execution hereof, Current Indemnitor waives and releases any and all defenses, affirmative defenses, setoffs, claims, counterclaims and causes of action of any kind or nature which Current Indemnitor has asserted, or might assert, against any of Lender Parties which in any way relate to or arise out of the Guaranty, the Environmental Indemnity or any of the other Loan Documents.

3. **Agreements of Current Indemnitor.** Current Indemnitor consents to the execution and delivery of the Consent Agreement by Borrower and agrees and acknowledges that except as set forth in paragraphs 6 and 7 below, the liability of Current Indemnitor under the Guaranty and the Environmental Indemnity shall not be diminished in any way by the execution and delivery of the Consent Agreement or by the consummation of any of the transactions contemplated therein, including but not limited to the Requested Actions.

4. **Confirmation of Representations and Covenants; Additional Representations.** By its execution hereof, Current Indemnitor confirms the representations and warranties and agrees to the covenants regarding Current Indemnitor set forth in the Consent Agreement, including, but not limited to, the obligation to pay the Indemnification Costs under Section 1.26 of the Consent Agreement. Current Indemnitor represents and warrants that it delivered true and complete copies of the Guaranty and the Environmental Indemnity to New Indemnitor and warranted to New Indemnitor that such documents were true and complete copies of such documents as signed by Current Indemnitor.

5. **Authority Representations by the Current Indemnitor.** The execution and delivery of, and performance under, this Current Indemnitor Joinder will not (a) violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to any Current Indemnitor or (b) result in a breach of or constitute or cause a default under any indenture, agreement, lease or instrument to which any Current Indemnitor is a party or by which the Property may be bound or affected.

6. **Release of Current Indemnitor under Guaranty.** Notwithstanding anything to the contrary in this Current Indemnitor Joinder, the Security Instrument, or the other Loan Documents, Current Indemnitor's obligations hereunder and under the Guaranty shall not apply with respect to, and by acceptance of this Current Indemnitor Joinder, Lender agrees that Current Indemnitor is hereby released from, any and all of Current Indemnitor's obligations under the Guaranty (the "**Guaranteed Obligations**") for acts or events occurring or obligations arising after the Effective Date except: (i) if such Guaranteed Obligations were caused by Borrower and/or Current Indemnitor and/or any of their agents prior to the Effective Date, and (ii) the environmental obligations under the Recourse Guaranty, as it relates to Section 10.1(ii) of the Loan Agreement (collectively, the "**Environmental Indemnity Obligations Under Guaranty**") occurring after the Effective Date if such Environmental Indemnity Obligations Under Guaranty were (a) caused by Borrower, any of Current Indemnitors and/or any of their agents or (b) result from the existence of conditions existing prior to the Effective Date or migrating to or from any portion of the Property prior to the Effective Date, but not discovered until after the Effective Date or result from a violation of Environmental Laws (as defined in the Environmental Indemnity) that occurred prior to the Effective Date. For purposes of this Current Indemnitor Joinder, Current Indemnitor shall bear the burden of proving when Hazardous Substances (as defined in the Environmental Indemnity) first existed upon, about or beneath the Property or began migrating to or from the Property and when a violation of Environmental Law first occurred; provided however, the foregoing burden of proof is for the benefit of Lender, its successors and assigns, and is not for the benefit of any third party.

7. **Release of Current Indemnitor Under Environmental Indemnity.** Notwithstanding anything to the contrary in this Current Indemnitor Joinder, the Security Instrument or any of the other Loan Documents, Current Indemnitor's obligations hereunder and under the Environmental Indemnity shall not apply with respect to, and by acceptance of this Current Indemnitor Joinder, Lender agrees that Current Indemnitor(s) is/are hereby released from, any and all of Current Indemnitors' obligations under the Environmental Indemnity for acts or events occurring or obligations arising under the Environmental Indemnity (the "**Environmental Indemnity Obligations**") after the Effective Date unless such Environmental Indemnity Obligations were: (i) caused by Borrower, any of Current Indemnitors and/or any of their agents, or (ii) result from the existence of conditions existing prior to the Effective Date or migrating to or from any portion of the Property prior to the Effective Date, but not discovered until after the Effective Date or result from a violation of Environmental Laws that occurred prior to the Effective Date. For purposes of this Current Indemnitor Joinder, Current Indemnitors shall bear the burden of proving when Hazardous Substances first existed upon, about or beneath the Property or began migrating to or from the Property and when a violation of Environmental Laws first occurred; provided however, the foregoing burden of proof is for the benefit of Lender, its successors and assigns, and is not for the benefit of any third party.

8. **Governing Law.** This Current Indemnitor Joinder shall be governed, interpreted, construed and enforced in accordance with the governing law provisions of the Guaranty and Environmental Indemnity, as applicable.

[The balance of this page is blank.]

The undersigned Current Indemnitor has executed and delivered this Current Indemnitor Joinder to be effective as of the date of the Consent Agreement.

CURRENT INDEMNITOR:

ROBERT C. MORGAN, an individual

State of New York)

ss.:

County of _____)

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

Signature and Office of individual
taking acknowledgment

JOINDER BY AND AGREEMENT OF NEW INDEMNITOR

The undersigned, **MORGAN REALTY PARTNERS, LP**, a Delaware limited partnership ("**New Indemnitor**"), being the New Indemnitor referred to in the Consent Agreement (the "**Consent Agreement**") to which this Joinder by and Agreement of New Indemnitor (the "**New Indemnitor Joinder**") is attached, hereby joins in the execution of the Consent Agreement to assume Current Indemnitor's obligations under the Guaranty and the Environmental Indemnity, and to represent and warrant to, and acknowledge and agrees with, Lender the following:

1. **Defined Terms.** All capitalized terms used in this New Indemnitor Joinder, unless defined herein, shall have the meanings given such terms in the Consent Agreement or the Current Indemnitor Joinder attached thereto.

2. **Benefit to New Indemnitor.** New Indemnitor owns a direct and/or indirect interest in Borrower as a result of the Requested Actions and has received substantial benefit from Lender's consent to the Requested Actions.

3. **Assumption by New Indemnitor of Guaranty.** New Indemnitor hereby assumes and agrees to be liable and responsible for and bound by all of Current Indemnitor's obligations, agreements and liabilities under the Guaranty, as amended hereby, including but not limited to the jury waiver and other waivers set forth therein, as fully and completely as if New Indemnitor had originally executed and delivered such Guaranty, as amended hereby, as the guarantor/indemnitor thereunder. New Indemnitor further agrees to pay, perform and discharge each and every obligation of payment and performance of Current Indemnitor under, pursuant to and as set forth in the Guaranty, as amended hereby, at the time, in the manner and otherwise in all respects as therein provided. Notwithstanding the foregoing, with respect to the environmental obligations of New Indemnitor pursuant to the Recourse Guaranty, as it relates to Section 10.1(ii) of the Loan Agreement, the liability of New Indemnitor shall be joint and several with that of Borrower and shall not be limited to environmental obligations occurring from and after the Effective Date. From and after the Effective Date, the Guaranty is amended to provide that all references to the term "Guarantor" used in the Guaranty shall mean and refer to New Indemnitor.

4. **Assumption by New Indemnitor of Environmental Indemnity.** New Indemnitor hereby assumes and agrees to be liable and responsible for and bound by all of the Current Indemnitor's obligations, agreements and liabilities, including but not limited to the jury waiver and other waivers set forth therein, under the Environmental Indemnity as fully and completely as if New Indemnitor had signed such Environmental Indemnity, as amended hereby, as the indemnitor/guarantor thereunder, including without limitation, all of those obligations, agreements and liabilities which would have been the obligations, agreements and liabilities of Current Indemnitor, without regard to when such obligations, agreements and liabilities arise, accrue or have arisen or accrued and without regard to Current Indemnitor's responsibility therefore, if any. New Indemnitor further agrees to pay, perform, and discharge each and every obligation of payment and performance of any guarantor/indemnitor under, pursuant to and as set forth in the Environmental Indemnity, as amended hereby, at the time, in the manner and

otherwise in all respects as therein provided. The liability of New Indemnitor under this paragraph shall be joint and several with that of Borrower.

5. **Confirmation of Representations and Covenants; Additional Representations.** By its execution hereof, New Indemnitor confirms the representations and warranties and agrees to the covenants regarding New Indemnitor set forth in the Consent Agreement, including, but not limited to, the obligation to pay the Indemnification Costs under Section 1.26 of the Consent Agreement. New Indemnitor represents and warrants that New Indemnitor received copies of the Guaranty and the Environmental Indemnity from Original Indemnitor, which copies were warranted by Current Indemnitor as being true and complete copies of such documents.

6. **Representations by New Indemnitor.** New Indemnitor hereby represents and warrants to Lender the following:

(a) New Indemnitor is a duly organized, validly existing limited partnership in good standing under the laws of the State of Delaware and is qualified to transact business in the State of New York. Morgan Realty Partners, LLC, a Delaware limited liability company ("**New Indemnitor General Partner**"), is the sole general partner of New Indemnitor. New Indemnitor General Partner, acting alone without the joinder of any other partner of New Indemnitor or any other party, has the power and authority to execute this New Indemnitor Joinder on behalf of and to duly bind New Indemnitor under this New Indemnitor Joinder. The execution and delivery of, and performance under, this New Indemnitor Joinder by New Indemnitor have been duly and properly authorized pursuant to all requisite partnership action of New Indemnitor and will not (x) violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to New Indemnitor or the certificate of limited partnership or limited partnership agreement or any other organizational document of New Indemnitor or (y) result in a breach of or constitute or cause a default under any indenture, agreement, lease or instrument to which New Indemnitor is a party or by which the Property may be bound or affected; and

(b) New Indemnitor General Partner is a duly organized, validly existing limited liability company in good standing under the laws of the State of Delaware. The undersigned ("**Authorized Signatory**"), acting alone without the joinder of any other manager or member of New Indemnitor General Partner or any other party, has the power and authority to execute this New Indemnitor Joinder on behalf of and to duly bind New Indemnitor General Partner and New Indemnitor under this New Indemnitor Joinder. The execution and delivery of, and performance under, this New Indemnitor Joinder by New Indemnitor General Partner have been duly and properly authorized pursuant to all requisite company action of New Indemnitor General Partner and will not (x) violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to New Indemnitor General Partner or the articles of organization, certificate of formation, operating agreement, limited liability company agreement, or any other organizational document of New Indemnitor General Partner or (y) result in a breach of or constitute or cause a default under any indenture, agreement, lease or instrument to which New Indemnitor General Partner is a party or by which the Property may be bound or affected.

7. **Notices to New Indemnitor.** From and after the date of completion of the Requested Actions, Lender shall deliver any notices to New Indemnitor which are required to be delivered pursuant to the Guaranty and/or the Environmental Indemnity, or are otherwise delivered by the Lender thereunder at Lender's sole discretion, to the New Indemnitor at the following address:

Morgan Realty Partners, LP
c/o Morgan Properties
160 Clubhouse Road
King of Prussia, PA 19406
Attn: General Counsel

With a copy to:

Blank Rome LLP
One Logan Square
Philadelphia, Pennsylvania 19103
Attn: Pelayo Coll, Esq.
Telephone: 215.569.5654
Facsimile: 215.832.5654
Email: coll@blankrome.com

All notices to be sent by New Indemnitor to Lender under the Guaranty and/or the Environmental Indemnity shall be sent to Lender in the manner set forth in and at the address shown in Section 3.7 of the Consent Agreement to which this New Indemnitor Joinder is attached. Notice to outside counsel or parties other than the named New Indemnitor, now or hereafter designated by a party as entitled to notice, are for convenience only and are not required for notice to New Indemnitor to be effective in accordance with Section 3.7.

8. **Governing Law.** This New Indemnitor Joinder shall be interpreted, construed and enforced in accordance with the governing law provisions of the Guaranty and Environmental Indemnity, as applicable.

[The balance of this page is blank.]

The undersigned New Indemnitor has executed and delivered this New Indemnitor Joinder to be effective as of the date of the Consent Agreement

NEW INDEMNITOR:

MORGAN REALTY PARTNERS, LP, a
Delaware limited partnership

By: Morgan Realty Partners, LLC, a Delaware
limited liability company
Its General Partner

By: _____
Name: _____
Title: _____

State of New York)

ss.:

County of _____)

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

Signature and Office of individual
taking acknowledgment

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JOINDER BY AND AGREEMENT OF AGENCY

The undersigned, **JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation duly existing under the laws of the State of New York (“**Agency**”), being the Agency referred to in Exhibit B of the Consent and Loan Modification Agreement (the “**Agreement**”) to which this Joinder by and Agreement of Agency (the “**Agency Joinder**”) is attached, hereby joins in the execution of the Agreement to reaffirm its obligations under the Security Instrument (as such term is defined in the Agreement), and to represent and warrant to, and acknowledge and agrees with, Lender the following:

1. **Defined Terms.** All capitalized terms used in this Agency Joinder, unless defined herein, shall have the meanings given such terms in the Agreement.

2. **Reaffirmation of Assignment of Security Instrument.** The Security Instrument continues to constitute the valid, legally binding obligations of Agency, enforceable against Agency in accordance with its terms. By Agency’s execution hereof, Agency waives and releases any and all defenses, affirmative defenses, setoffs, claims, counterclaims and causes of action of any kind or nature accruing on or prior to the Effective Date which Agency has asserted, or might assert, against any of Lender Parties which in any way relate to or arise out of the Assignment of Security Instrument or any of the other Loan Documents.

3. **Agreements of Agency.**

a. Agency consents to the execution and delivery of the Agreement by Borrower Parties and agrees and acknowledges that the obligations and liability of Agency under the Security Instrument shall not be diminished in any way by the execution and delivery of the Agreement or by the consummation of any of the transactions contemplated therein, including but not limited to the Requested Actions.

b. Agency consents to the transfer of all membership interests in Borrower to Acquiring Interest Owner (the “**Transfer**”) and affirms that the Transfer will not impair the following (including all rents and other income payable thereunder and any tax abatements associated therewith):

i. Lease from Morgan Watertown Townhomes LLC (“**Morgan**”) to the Agency as evidenced by a Memorandum of Lease between the aforesaid dated as of July 19, 2012, and recorded July 27, 2012 under File No. 2012-00011531; as amended by Omnibus Amendment to Agreements dated August 26, 2014 and recorded August 28, 2014, under File No. 2014-11898 and as assigned to Borrower pursuant to that Certain Assignment and Assumption of Agreements dated August 26, 2014 (collectively, the “**IDA Overlease**”).

ii. Sublease of the IDA Overlease from the Agency to Morgan as evidenced by a Memorandum of Lease between the aforesaid dated July 12, 2012, and recorded July 27, 2012 under File No. 2012-00011532; as amended by Omnibus Amendment to Agreements dated August 26, 2014, and recorded August 28, 2014, under File No. 2014-00011898 and as assigned to Borrower

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pursuant to that certain Assignment and Assumption of Agreements dated as of August 26, 2014 (collectively, the “IDA Sublease”).

iii. That certain Payment in Lieu of Tax Agreement by and between the Agency and Morgan dated as of July 19, 2012 as amended by Omnibus Amendment to Agreements dated August 26, 2014, and as assigned to Borrower pursuant to that certain Assignment and Assumption of Agreements dated as of August 26, 2014),.

4. **Authority Representations by the Agency.** Agency is a duly organized, validly existing public benefit corporation in good standing under the laws of the State of New York. _____ is the _____ of Agency (“**Authorized Signatory**”). Authorized Signatory, acting alone without the joinder of any other director, shareholder or officer of Agency or any other party, has the power and authority to execute this Agency Joinder on behalf of and to duly bind Agency under this Agency Joinder. Agency is duly authorized to execute, deliver and perform under this Agency Joinder. The execution and delivery of, and performance under, this Agency Joinder will not (a) violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to any Agency or (b) result in a breach of or constitute or cause a default under any indenture, agreement, lease or instrument to which any Agency is a party or by which the Property may be bound or affected.

5. **Governing Law.** This Agency Joinder shall be governed, interpreted, construed and enforced in accordance with the laws of the State in which the Property is located.

6. **No Recourse Against Agency.**

a. The obligations and agreements of the Agency contained herein and in any other instrument or document executed in connection herewith, and any other instrument or document supplemental thereto or hereto, including, but not limited to the Security Instrument (collectively, the “**Documents**”), shall be deemed the obligations and agreements of the Agency, and not of any member, officer, agent or employee of the Agency in his/her individual capacity, and the members, officers, agents and employees of the Agency shall not be liable personally hereon or thereon or be subject to any personal liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby. The Lender will not look to the Agency or any principal, member, director, officer or employee of the Agency with respect to the Indebtedness evidenced by the Security Instrument or any covenant, stipulation, promise, agreement or obligation contained herein or therein. In enforcing its rights and remedies hereunder, under the Security Instrument, the Lender will look solely to the Property and/or the Borrower for the payment of the Indebtedness secured by the Security Instrument and for the performance of the provisions thereof.

b. The obligations and agreements of the Agency contained herein and in the Documents shall not constitute or give rise to an obligation of the State of New York or Jefferson County, New York, and neither the State of New York nor Jefferson County, New York shall be liable hereon or thereon, and further, such obligations and agreements

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shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency, payable solely from the revenues of the Agency derived and to be derived from the sale or other disposition of the Facility (as defined in the IDA Sublease) (except for revenues derived by the Agency with respect to the Unassigned Rights, as defined in the IDA Sublease).

c. No order or decree of specific performance with respect to any of the obligations of the Agency hereunder or under any of the Documents shall be sought or enforced against the Agency unless (i) the party seeking such order or decree shall first have requested the Agency in writing to take the action sought in such order or decree of specific performance, and ten (10) days shall have elapsed from the date of receipt of such request, and the Agency shall have refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten (10) days, shall have failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period, (ii) if the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall place, in an account with the Agency, an amount or undertaking sufficient to cover such reasonable fees and expenses, and (iii) if the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it or any of its members, officers, agents or employees shall be subject to potential liability, the party seeking such order or decree shall agree to indemnify and hold harmless the Agency and its members, officers, agents and employees against all liability expected to be incurred as a result of compliance with such request.

7. Hold Harmless Provisions.

a. The Borrower agrees that the Agency, its directors, members, officers, agents and employees shall not be liable for and agrees to defend, indemnify, release and hold the Agency, its directors, members, officers, agents and employees harmless from and against any and all (i) liability for loss or damage to property or injury to or death of any and all persons that may be occasioned by, directly or indirectly, any cause whatsoever pertaining to the Facility or arising by reason of or in connection with the use thereof, hereunder, under the Security Instrument or any other Documents or (ii) liability arising from or expense incurred by the Agency's acquiring, constructing, equipping, owning and leasing of the Facility, including without limiting the generality of the foregoing, all claims arising from the breach by the Borrower of any of its covenants contained herein, in the Security Instrument or in any other Documents and all causes of action and reasonable attorneys' fees and any other expenses incurred in defending any claims, suits or actions which may arise as a result of any of the foregoing, provided that any such losses, damages, liabilities or expenses of the Agency are not incurred or do not result from the gross negligence or intentional or willful wrongdoing of the Agency or any of its directors, members, officers, agents or employees. The foregoing indemnities shall apply notwithstanding the fault or negligence on the part of the Agency, or any of its members, directors, officers, agents or employees and irrespective of the breach of a statutory obligation or the application of any rule of comparative or apportioned liability.

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The foregoing indemnities are limited only to the extent of any prohibitions imposed by law.

b. Notwithstanding any other provisions hereof, of the Security Instrument or of any other Documents, the obligations of the Borrower pursuant to this Section 7 shall remain in full force and effect after the termination of the Security Instrument until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action or prosecution relating to the matters therein described may be brought and payment in full or the satisfaction of such claim, cause of action or prosecution relating to the matters therein described and the payment of all reasonable expenses and charges incurred by the Agency, or its respective members, directors, officers, agents and employees, relating to the enforcement of the provisions therein specified.

c. In the event of any claim against the Agency or its members, directors, officers, agents or employees by any employee or contractor of the Borrower or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the obligations of the Borrower hereunder shall not be limited in any way by any limitation on the amount or type of damages, compensation, disability benefits or other employee benefit acts.

8. [**Unassigned Rights**]. Notwithstanding anything else contained herein to the contrary, it is agreed and understood that the Agency has not assigned its interest in the Unassigned Rights as defined in the IDA Sublease and, specifically, the Unassigned Rights of Section 10.11 thereof. – PLEASE PROVIDE COPIES OF THE UNDERLYING LEASE AND SUBLEASE]

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The undersigned Agency has executed and delivered this Agency Joinder to be effective as of the date of the Consent Agreement.

AGENCY:

**JEFFERSON COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**, a public benefit
corporation duly existing under the laws of the State
of New York

By: _____
Name: _____
Title: _____

STATE OF NEW YORK §
 §
COUNTY OF JEFFERSON §

On the ____ day of _____ in the year 2019, before me, the undersigned personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same voluntarily for its stated purpose in his capacity, and that by his signature on the instrument, the individual, or the person upon belief of which the individual acted, executed the instrument.

Notary Public

ENVIRONMENTAL RESOLUTION

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A meeting of Jefferson County Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency located at 800 Starbuck Avenue in the City of Watertown, Jefferson County, New York on November 7, 2019 at 8:30 a.m., local time.

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

PRESENT:

ABSENT:

FOLLOWING PERSONS WERE ALSO PRESENT:

The following resolution was offered by _____, seconded by _____, to wit:

Resolution No. 11.07.2019.03

RESOLUTION DETERMINING THAT ACTION TOWARD THE ACQUISITION, CONSTRUCTION, INSTALLATION AND LEASING OF A CERTAIN COMMERCIAL PROJECT FOR **OSWEGO BEVERAGE COMPANY LLC** (THE "COMPANY") WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.

WHEREAS, Jefferson 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 369 of the 1971 Laws of New York, as amended, constituting Section 892-e 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 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

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economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

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

WHEREAS, the **Company** has presented an application (the "Application") to the Agency, a copy of which was presented at this meeting and copies of which are on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") consisting of the following: (A) (1) the acquisition of an interest in land located at New York State Route 3, Watertown, New York (the "Land") construction of a new cross-dock warehousing Facility (the "Facility"), and the Equipment being collectively referred to as the "Project Facility"), such Project Facility to be used as a beverage distribution and redemption facility; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including exemption from certain sales and use taxes, real estate transfer taxes, mortgage recording taxes (except as limited by Section 874 of the Act) and real property taxes (the "Financial Assistance") and; (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, the Agency is a local agency pursuant to the New York State Environmental Quality Review Act ("SEQRA"), ECL Section 8-0101, *et seq.*, and implementing regulations, 6 NYCRR Part 617 (the "Regulations"); and

WHEREAS, undertaking the Project is an Action as defined by SEQRA; and

WHEREAS, a short-form Environmental Assessment Form ("EAF"), dated _____, was submitted to the Agency to facilitate a review of the potential environmental impacts of the Project; and

WHEREAS, the Agency has considered the Project and the EAF, together with the Agency's knowledge of the area surrounding the Project, and such further information as is available to the Agency; and

WHEREAS, the Agency has reviewed the classifications of actions contained in the Regulations; and

WHEREAS, the Agency has determined that the Action is an Unlisted Action, as that term is defined in the Regulations, and that coordinated environmental review is not required under SEQRA; and

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WHEREAS, the Agency has applied the criteria for determining significance contained in 6 NYCRR Part 617 in order to determine whether the Project may result in a significant environmental impact; and

WHEREAS, the Agency has determined that the Project will not result in a significant environmental impact;

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

Section 1. The Project is an Unlisted Action pursuant to SEQRA.

Section 2. The Agency assumed responsibility as Lead Agency for its own uncoordinated environmental review of the Project.

Section 3. The Project will not result in a significant adverse environmental impact.

Section 4. Preparation of an Environmental Impact Statement is not required.

Section 5. The basis for this determination is set forth in Part 2 of the Environmental Assessment Form, attached as Attachment A hereto and incorporated by reference herein.

Section 6. A Negative Declaration of significant adverse environmental impact shall be prepared, filed, distributed and published in accord with 6 NYCRR shall be filed at the Agency as required by 6 NYCRR Section 617.12(b)(2).

Section 7. This resolution shall take effect immediately.

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

David J. Converse	VOTING	_____
John Jennings	VOTING	_____
Robert E. Aliasso, Jr.	VOTING	_____
W. Edward Walldroff	VOTING	_____
Paul Warneck	VOTING	_____
William Johnson	VOTING	_____
Lisa L'Huillier	VOTING	_____

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The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned Chief Executive Officer of the Jefferson County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY, that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on December 6, 2018 with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Agency and of such Resolution set forth therein and of the whole of said original so far as the same related to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respect duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public and due notice of the time and place of said meeting was given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present through said meeting.

I 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, I have hereunto set my hand and affixed the seal of the Agency this 7th day of November, 2019.

W. Edward Walldroff
Secretary

PRELIMINARY INDUCEMENT RESOLUTION

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A meeting of Jefferson County Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency located at 800 Starbuck Avenue in the City of Watertown, Jefferson County, New York on November 7, 2019 at 8:30 a.m., local time.

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

PRESENT:

ABSENT:

FOLLOWING PERSONS WERE ALSO PRESENT:

The following resolution was offered by _____, seconded by _____, to wit:

Resolution No. 11.07.2019.04

RESOLUTION TAKING PRELIMINARY OFFICIAL ACTION TOWARD THE ACQUISITION, CONSTRUCTION, INSTALLATION AND LEASING OF A CERTAIN COMMERCIAL PROJECT FOR OSWEGO BEVERAGE COMPANY LLC (the "COMPANY") AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PRELIMINARY AGREEMENT WITH THE COMPANY WITH RESPECT TO SUCH TRANSACTION.

WHEREAS, Jefferson 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 77 of the 1974 Laws of New York, as amended, constituting Section 902 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 commercial facilities, among others, for the purpose of promoting, attracting and developing economically sound

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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, Oswego Beverage Company LLC (the "Company") has presented an application (the "Application") to the Agency, a copy of which was presented at this meeting and copies of which are on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") consisting of the following: (A) (1) the acquisition of an interest in a parcel of land located at NYS Rt. 3, in the Town of Watertown Jefferson County, New York (the "Land"), construction on the Land of a building to contain approximately 8,050 square feet of space (the "Facility"), and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment"), all of the foregoing to constitute a warehouse distribution and redemption facility to be operated by the Company and occupied by the Company (the Land, the Facility and the Equipment being collectively referred to as the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including exemption from certain sales taxes, real estate transfer taxes, mortgage recording taxes and real property taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, the Agency has given due consideration to the Application and to representations by the Company that (A) the granting by the Agency of the Financial Assistance with respect to the Project will be an inducement to the Company to undertake the Project in Jefferson County, New York, (B) the completion of the Project Facility will not result in the removal of a plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State of New York to another area of the State of New York or in the abandonment of a plant or facility of any proposed occupant of the Project Facility (other than the Company) located in the State of New York and (C) although the completion of the Project Facility may result in the abandonment of one or more plants or facilities of the Company located in the State of New York, such abandonment is reasonably necessary to preserve the competitive position of the Company in its industry; and

WHEREAS, the Agency desires to encourage the Company to preserve and advance the job opportunities, health, general prosperity and economic welfare of the people of Jefferson County, New York by undertaking the Project in Jefferson County, New York; and

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WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act"), and the regulations (the "Regulations") adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, "SEQRA"), by resolution adopted by the members of the Agency on November 7, 2019 (the "SEQR Resolution"), the Agency has determined that the Project will not have a significant effect on the environment and, therefore, that an environmental impact statement is not required to be prepared with respect to the Project; and

WHEREAS, pursuant to the Act, any approval of the Project contained herein is contingent upon a determination by the members of the Agency to proceed with the Project following satisfaction of the public hearing and notice requirements and other procedural requirements contained in Section 859-a of the Act that relate to the Project; and

WHEREAS, although the resolution authorizing the Project has not yet been drafted for approval by the Agency, a preliminary agreement (the "Preliminary Agreement") relative to the proposed undertaking of the Project by the Agency has been presented for approval by the Agency.

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

Section 1. The Agency has reviewed the Application and based upon the representations made by the Company to the Agency in the Application and at this meeting and, based thereon, the Agency hereby makes the following findings and determinations with respect to the Project:

(A) The Project constitutes a "project" within the meaning of the Act; and

(B) The completion of the Project Facility will not result in the removal of a plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State of New York to another area of the State of New York or in the abandonment of a plant or facility of any proposed occupant of the Project Facility (other than the Company) located in the State of New York and, although the completion of the Project Facility, may result in the abandonment of one or more plants or facilities of the Company located in the State of New York, such abandonment is reasonably necessary to preserve the competitive position of the Company in its industry; and

(C) The Project Facility will not constitute a project where facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities constitute more than one-third of the total cost of the Project; and

(D) The granting of the Financial Assistance by the Agency with respect to the Project, through the granting of the various tax exemptions described in Section

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2(D) of this Resolution, will promote the job opportunities, health, general prosperity and economic welfare of the inhabitants of Jefferson County, New York and the State of New York and improve their standard of living, and thereby serve the public purposes of the Act; and

(E) Upon compliance with the provisions of the Act, the Agency would then be authorized under the Act to undertake the Project in order to promote the job opportunities, health, general prosperity and economic welfare of the inhabitants of Jefferson County, New York and the State of New York and improve their standard of living.

Section 2. If, following full compliance with the requirements of the Act, including the public hearing requirements set forth in Section 859-a of the Act, the Agency adopts a future resolution (the "Future Resolution") determining to proceed with the Project and to grant the Financial Assistance with respect thereto and the Company complies with all conditions set forth in the Preliminary Agreement and the Future Resolution, then the Agency will (A) acquire an interest in the Project Facility from the Company pursuant to a deed, lease agreement or other documentation to be negotiated between the Agency and the Company (the "Acquisition Agreement"); (B) construct the Facility and acquire and install the Equipment in the Facility or elsewhere on the Land; (C) lease (with the obligation to purchase) or sell the Project Facility to the Company pursuant to a lease agreement or an installment sale agreement (hereinafter the "Project Agreement") between the Agency and the Company whereby the Company will be obligated, among other things, (1) to make payments to the Agency in amounts and at times so that such payments will be adequate to enable the Agency to timely pay all amounts due on the Acquisition Agreement and (2) to pay all costs incurred by the Agency with respect to the Project and/or the Project Facility, including all costs of operation and maintenance, all taxes and other governmental charges, any required payments in lieu of taxes and the reasonable fees and expenses incurred by the Agency with respect to or in connection with the Project and/or the Project Facility, and (D) provide the Financial Assistance with respect to the Project, in accordance with the Agency's uniform tax exemption policy, including (1) exemption from mortgage recording taxes with respect to any documents recorded by the Agency with respect to the Project in the Office of the County Clerk of Jefferson County, New York or elsewhere, (2) exemption from sales taxes relating to the acquisition, construction and installation of the Project Facility, (3) exemption from deed transfer taxes and real estate transfer gains taxes on real estate transfers to and from the Agency with respect to the Project, and (4) exemption from real estate taxes (but not including special assessments and special ad valorem levies) relating to the Project Facility, subject to the obligation of the Company to make payments in lieu of taxes with respect to the Project Facility, all as contemplated by the Preliminary Agreement and the Future Resolution.

Section 3. If the Agency adopts the Future Resolution, the undertaking and completing of the Project by the Agency, and the granting of the Financial Assistance with respect to the Project as contemplated by Section 2 of this Resolution, shall be subject to: (A) the determination by the members of the Agency to proceed with the Project following

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a determination by the members of the Agency that all requirements of SEQRA that relate to the Project have been fulfilled; (B) execution and delivery by the Company of the Preliminary Agreement, which sets forth certain conditions for the undertaking and completing of the Project by the Agency, and satisfaction by the Company of all the terms and conditions of the Preliminary Agreement applicable to the Company; (C) agreement by the Agency and the Company on mutually acceptable terms for the conveyance of the Land to the Agency; (D) agreement between the Company and the Agency as to payment by the Company of payments in lieu of taxes with respect to the Project Facility, together with the administrative fee of the Agency with respect to the Project; (E) a determination by the members of the Agency to proceed with the granting of the Financial Assistance with respect to the Project following a determination by the members of the Agency that the public hearing and notice requirements and other procedural requirements contained in Section 859-a of the Act have been complied with; (F) the Agency's uniform tax exemption policy or if any portion of the Financial Assistance to be granted by the Agency with respect to the Project is not consistent with the Agency's uniform tax exemption policy, the Agency must follow the procedures for deviation from such policy set forth in Section 874(b) of the Act prior to granting such portion of the Financial Assistance; and (G) the following additional condition(s): None.

Section 4. The form, terms and substance of the Preliminary Agreement (in substantially the form presented to this meeting and attached hereto) are in all respects approved, and the First Chairman (or Vice Chairman) of the Agency is hereby authorized, empowered and directed to execute and deliver said Preliminary Agreement in the name and on behalf of the Agency, said Preliminary Agreement to be substantially in the form presented to this meeting, with such changes therein as shall be approved by the officer executing same on behalf of the Agency, the execution thereof by such officer to constitute conclusive evidence of such officer's approval of any and all changes or revisions therein from the form now before this meeting.

Section 5. From and after the execution and delivery of the Preliminary Agreement, the officers, agents and employees of the Agency are hereby authorized, empowered and directed to proceed with the undertakings provided for therein on the part of the Agency and are further authorized to do all such acts and things and to execute all such documents as may be necessary or convenient to carry out and comply with the terms and provisions of the Preliminary Agreement as executed.

Section 6. Joseph W. Russell, of the law firm of Barclay Damon LLP of Watertown, New York is hereby appointed Counsel to the Agency with respect to all matters in connection with the Project. Counsel for the Agency is hereby authorized, at the expense of the Company, to work with the Company, counsel to the Company and others to prepare for submission to the Agency, all documents necessary to effect the transactions contemplated by this Resolution.

Section 7. The Agency hereby authorizes the Executive Director of the Agency, prior to the granting of any Financial Assistance with respect to the Project, after consultation with Counsel, (A) to establish a time, date and place for a public hearing of the Agency to

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hear all persons interested in the location and nature of the Project Facility and the proposed Financial Assistance being contemplated by the Agency with respect to the Project, said public hearing to be held in the city, town or village where the Project Facility will be located; (B) to cause notice of such public hearing to be given to the public by publishing a notice of such hearing in a newspaper of general circulation available to residents of the governmental units where the Project Facility is to be located, such notice to comply with the requirements of Section 859-a of the Act and to be published no fewer than thirty (30) days prior to the date established for such public hearing; (C) to cause notice of said public hearing to be given to the chief executive officer of the county and each city, town, village and school district in which the Project Facility is or is to be located no fewer than thirty (30) days prior to the date established for said public hearing; (D) to conduct such public hearing; and (E) to cause a report of said public hearing fairly summarizing the views presented at said public hearing to be promptly prepared and cause copies of said report to be made available to the members of the Agency.

Section 8. The First Chairman, Vice Chairman and Executive Director of the Agency are 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 9. This Resolution shall take effect immediately.

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

David J. Converse	VOTING	_____
John Jennings	VOTING	_____
Robert E. Aliasso, Jr.	VOTING	_____
W. Edward Walldroff	VOTING	_____
Paul Warneck	VOTING	_____
William Johnson	VOTING	_____
Lisa L'Huillier	VOTING	_____

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The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned Secretary of Jefferson County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY, that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on November 7, 2019 with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Agency and of such Resolution set forth therein and of the whole of said original so far as the same related to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respect duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public and due notice of the time and place of said meeting was given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present through said meeting.

I 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, I have hereunto set my hand and affixed the seal of the Agency this 7th day of November, 2019.

W. Edward Walldroff
Secretary

PRELIMINARY AGREEMENT

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THIS PRELIMINARY AGREEMENT made as of November __, 2019, between **JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (the "Agency"), a public benefit corporation organized and existing under the laws of the State of New York, and **OSWEGO BEVERAGE COMPANY LLC**, (the "Company"), a business corporation organized and existing under the laws of the State of New York;

WITNESSETH:

WHEREAS, the Agency is authorized and empowered by the provisions of the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of the State of New York, as amended (the "Enabling Act") and Chapter 77 of the 1974 Laws of the State of New York, as amended, constituting Section 902 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to undertake the acquisition, construction, reconstruction and installation of one or more "projects" (as said quoted term is defined in the Act) and to lease (with an obligation to purchase) or sell the same upon such terms and conditions as the Agency may deem advisable; and

WHEREAS, the purposes of the Act are to promote industry and develop trade and thereby advance the job opportunities, health, general prosperity and economic welfare of the inhabitants of Jefferson County, New York and the State of New York, to improve their prosperity and standard of living and to prevent unemployment and economic deterioration; and

WHEREAS, by resolution adopted by the members of the Agency on November 7, 2019 (the "Preliminary Inducement Resolution"), the Agency made a preliminary determination, subject to numerous conditions, to accept an application (the "Application") from the Company requesting that the Agency undertake a project (the "Project") consisting of the following: (A) (1) the acquisition of an interest in a parcel of land (the "Land") located at NYS Route 3, in the Town of Watertown, Jefferson County, New York, (2) the construction on the Land of a building to contain approximately 8,050 square feet of space (the "Facility"), and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment"), all of the foregoing to constitute a warehouse and distribution and redemption facility to be operated by the Company and occupied by the Company (the Land, the Facility and the Equipment being collectively referred to as the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales taxes, real estate transfer taxes, mortgage recording taxes and real property taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

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WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act"), and the regulations (the "Regulations") adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, "SEQRA"), by resolution adopted by the members of the Agency on November 7, 2019 (the "SEQR Resolution"), the Agency has determined that the Project will not have a significant effect on the environment and, therefore, that an environmental impact statement is not required to be prepared with respect to the Project;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Agency and the Company agree as follows:

Article 1. Representations.

Among the representations which have resulted in the execution of this Preliminary Agreement are the following:

Section 1.01. The Company hereby represents to the Agency that:

(A) The completion of the Project Facility will not result in the removal of a plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State of New York to another area of the State of New York or in the abandonment of a plant or facility of any proposed occupant of the Project Facility (other than the Company) located in the State of New York and, although the completion of the Project Facility may result in the abandonment of one or more plants or facilities of the Company located in the State of New York, such abandonment is reasonably necessary to preserve the competitive position of the Company in its industry.

(B) The Project Facility will not constitute a project where facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities constitute more than one-third of the total cost of the Project Facility.

(C) The Project site is located entirely within the boundaries of Jefferson County, New York.

(D) The granting of the Financial Assistance by the Agency with respect to the Project, through the granting of certain exemptions from taxation with respect to the Project, as further described in Section 2(D) of the Preliminary Inducement Resolution, will encourage and assist the Company in locating the Project Facility in Jefferson County, New York, and thereby serve the public purposes of the Act by promoting job opportunities in Jefferson County, New York.

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(E) It is estimated at the present time that the costs of the planning, development, acquisition, construction and installation of the Project Facility (collectively, the "Project Costs") will be approximately \$1,027,500.00.

(F) The Company will ensure that the acquisition, construction, installation and operation of the Project Facility will comply with all applicable federal, state and local laws, ordinances, rules and regulations (the applicability of same to be determined both as if the Agency were the owner of the Project Facility and as if the Company and not the Agency were the owner of the Project Facility), and the Company will obtain all necessary approvals and permits required thereunder.

Section 1.02. By the Preliminary Inducement Resolution, the Agency has approved the execution of this Preliminary Agreement. The Agency intends this Preliminary Agreement to constitute its official binding commitment, subject to the terms hereof, to accept the Application; provided, however, that this Preliminary Agreement shall not commit the Agency to undertake the Project or to grant to the Company any Financial Assistance with respect to the Project unless and until the Agency shall decide to undertake the Project and to grant such Financial Assistance following a determination by the Agency that the procedural requirements of Section 859-a of the Act that relate to the Project have been fulfilled.

Section 1.03. Pursuant to SEQRA, the Agency has made a preliminary determination that the Project will not have a "significant effect on the environment" (within the meaning of SEQRA) and, therefore, that an environmental impact statement is not required to be prepared with respect to 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:

Section 2.01. If, following full compliance with the requirements of the Act, including the public hearing requirements set forth in Section 859-a of the Act, the Agency adopts a future resolution (the "Future Resolution") determining to proceed with the Project and to grant the Financial Assistance with respect thereto and the Company complies with all conditions set forth in this Preliminary Agreement and the Future Resolution, then the Agency will undertake the Project and will grant the Financial Assistance relating to the Project; PROVIDED, HOWEVER, that the foregoing obligation of the Agency to undertake the Project and to grant the Financial Assistance relating to the Project is subject to the conditions hereinafter contained in this Preliminary Agreement including, but not limited to, the following conditions:

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(A) An interest in the Project Facility shall be acquired by the Agency from the Company pursuant to a deed, lease agreement or other documentation to be negotiated between the Agency and the Company (hereinafter, the "Acquisition Agreement") which contains terms mutually acceptable to the Agency and the Company for the conveyance of an interest in the Project Facility to the Agency. Any Equipment acquired by the Company prior to the execution and delivery of the Project Agreement (as hereinafter defined) shall be conveyed to the Agency by a bill of sale from the Company to the Agency. After the Project Agreement (as hereinafter defined) has been executed and delivered by the Agency and the Company then, pursuant to the Project Agreement, any Equipment acquired by the Company as part of the Project will be acquired by the Company as agent of the Agency. The lease (with an obligation to purchase) or sale of the Project Facility by the Agency to the Company shall be effected by a lease agreement or an installment sale agreement (hereinafter, the "Project Agreement") between the Agency and the Company whereby the Company will be obligated, among other things, to make payments to the Agency in amounts and at such times so that such payments will be adequate to enable the Agency to timely pay all amounts due on the Acquisition Agreement. The Acquisition Agreement and the Project Agreement and any other documents to be executed by the Agency in connection with the Project (collectively, the "Project Documents") shall, in all respects, comply with the requirements of, and limitations contained in, the Act and shall further specifically provide that the obligations of the Agency thereunder are payable solely from the revenues derived by the Agency from the sale, lease or other disposition of the Project Facility; that the obligations of the Agency thereunder shall not be a general obligation of the Agency and shall not constitute an indebtedness or pledge of the general credit of the Agency; that no beneficiary of the obligations of the Agency thereunder shall have the right to compel any exercise of the taxing power of the Agency (if any), or of the State of New York or any political subdivision thereof, including Jefferson County, New York; and that the obligations of the Agency thereunder shall not create a debt or loan of credit of Jefferson County, New York or the State of New York, but such obligations shall be a special obligation of the Agency secured and payable solely as provided in the Acquisition Agreement or the Project Agreement, as the case may be, and such facts shall be plainly stated in each of such documents;

(B) The Company shall have executed the Project Agreement between the Agency and the Company, the terms of which shall be acceptable in form and content to the Company and the Agency, and pursuant to which, among other things, the Company shall be obligated to pay all costs incurred by the Agency with respect to the Project and/or the Project Facility, including all costs of operation and maintenance of the Project Facility, all taxes and other governmental charges, any required payments in lieu of

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taxes, and the reasonable fees and expenses incurred by the Agency with respect to or in connection with the Project and/or the Project Facility;

(C) No event shall have occurred which constitutes (or which after notice or lapse of time or both would constitute) an event of default under the Project Agreement;

(D) The Company shall provide the Agency with all information and statements which may be required by the Agency in order to facilitate compliance by the Agency with SEQRA;

(E) The Agency shall receive, in form and substance satisfactory to the Agency, such rulings, approvals, resolutions, consents, certificates, opinions of counsel and other instruments and proceedings as shall be specified by the Agency in connection with the Project and the various documents to be executed in connection with the Project, such rulings, approvals, resolutions, consents, certificates, opinions of counsel and other instruments and proceedings to be obtained from counsel to the Agency and such other governmental and nongovernmental agencies and entities as may have or assert competence or jurisdiction over or interest in matters pertaining thereto;

(F) Agreements shall be made as to (1) payments by the Company to or on behalf of the Agency of amounts in lieu of real property taxes, (2) indemnity by the Company of the Agency and the members and officers of the Agency, and (3) payment by the Company of the expenses incurred by the Agency in connection with the Project (including counsel fees and out-of-pocket expenses) and the administrative fee of the Agency, and such agreements shall be satisfactory in form and substance to the Agency;

(G) The Agency shall have made a determination to proceed with the granting of the Financial Assistance following a determination by the Agency that all the public hearing and notice requirements and other procedural requirements of Section 859-a of the Act that relate to the Project have been complied with;

(H) If any portion of the Financial Assistance to be granted by the Agency with respect to the Project is not consistent with the Agency's uniform tax exemption policy, the Agency must follow the procedures for deviation from such policy set forth in Section 874(b) of the Act prior to granting such portion of the Financial Assistance; and

(I) The following additional conditions: None.

Section 2.02. The obligations of the Agency pursuant to this Preliminary Agreement are subject to the conditions elsewhere contained in this Preliminary

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Agreement and to the additional condition that the Agency shall not undertake the Project, nor grant any Financial Assistance with respect to the Project, unless and until the Agency shall have complied with the provisions of SEQRA.

Section 2.03. Subject to the conditions stated in this Preliminary Agreement, the Agency, from time to time, will adopt, or cause to be adopted, such proceedings and authorize the execution of such documents as may be necessary or advisable for: (A) the authorization, undertaking and completion of the Project; and (B) the sale or lease of the Project Facility to the Company, all as shall be authorized by law and be mutually satisfactory to the Agency and the Company.

Section 2.04. 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.

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:

Section 3.01. Contemporaneously with the execution and delivery by the Agency of the Acquisition Agreement, the Company will enter into the Project Agreement with the Agency containing the terms and conditions described in Section 2.01 hereof. The Company agrees that the Company will pay all of the Project Costs and shall not be entitled to any reimbursement for any such payment from the Agency. THE AGENCY MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, THAT THE PROJECT FACILITY WILL BE SUITABLE FOR THE COMPANY'S PURPOSES OR NEEDS.

Section 3.02. The Company hereby agrees to indemnify and hold the Agency (and its members, officers, agents and employees) harmless from all losses, expenses, claims and liabilities arising out of or based on labor, services, materials and supplies, including equipment, ordered or used in connection with the acquisition, construction and installation of the Project Facility, including any expenses incurred by the Agency (and its members, officers, agents and employees) in defending any claims, suits or actions which may arise as a result of any of the foregoing. The Company shall not permit to stand, and will, at its own expense, take steps reasonably necessary to remove, any mechanic's or other liens against the Project Facility for labor or material furnished in connection with the acquisition, construction and installation of the Project Facility.

Section 3.03. The Company hereby agrees to indemnify, defend and hold the Agency (and its members, officers, agents and employees) harmless from any and all (A) claims and liabilities for the 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 and/or the Project Facility, including any

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expenses incurred by the Agency (and its members, officers, agents and employees) in defending any claims, suits or actions which may arise as a result of the foregoing; and (B) claims and liability arising from or expenses incurred in connection with the Project or the Agency's acquisition, construction and installation, owning, leasing and/or sale of the Project Facility, including all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. The Company shall include the Agency (and its members, officers, agents and employees) as a named insured under all public liability insurance policies obtained by the Company with respect to the Project.

Section 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.

Article 4. General Provisions.

Section 4.01. All commitments of the Agency under Article 2 hereof and of the Company under Article 3 hereof (excepting the obligations of the Company set forth in Sections 3.02 and 3.03 hereof, which shall survive the termination of this Preliminary Agreement) are subject to the condition that the following events shall have occurred not later than two (2) years from the date hereof (or such other date as shall be mutually satisfactory to the Agency and the Company):

(A) The Agency and the Company shall have agreed on mutually acceptable terms and conditions of the Acquisition Agreement, the Project Agreement and any other agreements referred to in Articles 2 or 3 hereof;

(B) All necessary governmental approvals shall be obtained; and

(C) All other conditions expressed in this Preliminary Agreement shall have been satisfied.

Section 4.02. Subject to the terms and conditions of Section 4.03 hereof, the Company shall have the right to unilaterally cancel this Preliminary Agreement at any time prior to the time that the Acquisition Agreement is signed by the Agency upon thirty (30) days prior written notice of cancellation delivered to the Agency at the address set forth in Section 4.04 hereof.

Section 4.03. If the events set forth in Section 4.01 hereof do not take place within the time set forth in said Section 4.01, or any extension thereof, or if the Company exercises its right of cancellation as set forth in Section 4.02 hereof, the Company agrees that: (A) it will promptly reimburse the Agency (and its officers, members, agents or employees) for all reasonable and necessary direct out-of-pocket expenses (including legal fees and expenses) which the Agency (and its officers, members, agents or employees) may incur with respect to the execution of this Preliminary Agreement and the performance of its obligations hereunder; and

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(B) the obligations of the Company set forth in Section 3.02 and 3.03 hereof shall survive the termination of this Preliminary Agreement and shall remain in full force and effect until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action or prosecution relating to the matters described therein may be brought and payment in full or the satisfaction of such claim, cause of action or prosecution and the payment of all expenses and charges incurred by the Agency (and its officers, members, agents or employees) relating to the enforcement of the provisions therein stated.

Section 4.04. (A) All notices and other communications hereunder shall be in writing and shall be deemed given when mailed by United States registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

(1) To the Agency:

Jefferson County Industrial Development Agency
800 Starbuck Avenue
Watertown, New York 13601
Attention: Donald C. Alexander

With a copy to:

Joseph W. Russell, Esq.
Barclay Damon LLP
120 Washington Street, Suite 500
Watertown, NY 13601

(2) To the Company:

Oswego Beverage Company
Attn: Daniel E. Dorsey, Jr.
113 Gardenier Road.
Oswego, New York 13126

With a copy to:

Victor Hershendorfer
Pappas Cox Law Firm
614 James Street
Syracuse, NY 13203

(B) The Agency and the Company may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates and other communications shall be sent.

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Section 4.05. All covenants and agreements herein contained by or on behalf of the Agency and the Company shall bind and inure to the benefit of the respective successors and assigns of the Agency and the Company whether so expressed or not.

Section 4.06. The obligations and agreements of the Agency contained herein shall be deemed the obligations and agreements of the Agency, and not of any member, officer, agent or employee of the Agency in his individual capacity, and the members, officers, agents and employees of the Agency shall not be liable personally hereon or be subject to any personal liability or accountability base upon or in respect hereof or of any transaction contemplated hereby. The obligations and agreements of the Agency contained herein shall not constitute or give rise to an obligation of the State of New York or of Jefferson County, New York and neither the State of New York nor Jefferson County, New York shall be liable thereon and, further, such obligations and agreements shall not constitute or give rise to a general obligation of the Agency but, rather, shall constitute limited obligations of the Agency payable solely from the revenues of the Agency derived and to be derived from the lease, sale or other disposition of the Project Facility.

Section 4.07. Notwithstanding any provision of this Preliminary Agreement to the contrary, the Agency shall not be obligated to take any action pursuant to any provision hereof unless (A) the Agency has been requested to do so in writing by the Company; and (B) if compliance with such request is reasonably expected to result in the incurrence by the Agency (or any member, officer, agent or employee of the Agency) of any liability, fees, expenses or other costs, the Agency shall have received from the Company security or indemnity satisfactory to the Agency for protection against all such liability and for the reimbursement of all such fees, expenses and other costs.

IN WITNESS WHEREOF, the parties hereto have entered into this Preliminary Agreement as of the day and date first written above.

**JEFFERSON COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Donald C. Alexander, Chief Executive
Officer

OSWEGO BEVERAGE COMPANY LLC

By: _____
Daniel E. Dorsey, Jr., President

Jefferson County Industrial Development Agency
800 Starbuck Avenue, Suite 800
Watertown, NY 13601
(315) 782-5865

2019-2020 Board Attendance

[illegible]