

**PROJECT AUTHORIZING RESOLUTION**  
*(Community Bank N.A. Project)*

A regular meeting of St. Lawrence County Industrial Development Agency (the “Agency”) was convened on November 6, 2008, at 8:00 a.m., local time, at McCarthy’s Restaurant, Route 11 South, Canton, New York.

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

MEMBER	PRESENT	ABSENT
Brian W. Staples	X	
Ernest LaBaff	X	
Lynn Blevins	X	
Jon R. Greenwood	X	
Andrew J. McMahon	X	
Frederick S. Morrill	X	
R. Joseph Weekes, Jr.	X	

The following persons were ALSO PRESENT: Raymond Fountain (CEO); Kimberly Gilbert (CFO); Patrick Kelly (Deputy Director); Natalie Sweatland (Admin. Asst.); Richard Williams (Facilities Manager); and William R. Small, Esq. (Agency Counsel).

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to a proposed project for the benefit of Community Bank N.A.

On motion duly made by Mr. Weekes and seconded by Mr. Morrill, the following resolution was placed before the members of the St. Lawrence County Industrial Development Agency:

Member	Aye	Nay	Abstain	Absent
Brian W. Staples	X			
Ernest LaBaff	X			
Lynn Blevins	X			
Jon R. Greenwood	X			
Andrew J. McMahon	X			
Frederick S. Morrill	X			
R. Joseph Weekes, Jr.	X			

Resolution No. 08-11-38

**AUTHORIZING THE ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE “AGENCY”) TO (i) ACQUIRE A LEASEHOLD INTEREST IN A CERTAIN PARCEL OF REAL PROPERTY (THE “LAND”, AS MORE PARTICULARLY DESCRIBED HEREIN); (ii) NEGOTIATE AND ENTER INTO CERTAIN AGREEMENTS WITH COMMUNITY BANK N.A., AND/OR AN ENTITY OR ENTITIES TO BE FORMED (THE “COMPANY”) IN CONNECTION WITH A CERTAIN PROJECT (AS FURTHER DESCRIBED HEREIN); (iii) PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF A SALES AND USE TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE UNDERTAKING OF THE PROJECT AND A PARTIAL REAL PROPERTY TAX ABATEMENT THROUGH A PILOT AGREEMENT; AND (iv) EXECUTE AND DELIVER RELATED DOCUMENTS.**

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 358 of the Laws of 1971 of the State of New York, as amended (hereinafter collectively called the “Act”), the **ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (hereinafter called the “Agency”) was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, **COMMUNITY BANK N.A.**, for itself or on behalf of an entity to be formed (the “Company”), has submitted an application (the “Application”) to the Agency, copies of which were presented at this meeting and a copy of which is on file at the office of the Agency, requesting that the Agency undertake a certain project (the “Project”) consisting of (i) the acquisition by the Agency of fee title to or a leasehold interest in one or more parcels of real property located at or near the intersection of Tallman Road and Route 11 within the Village of Canton, St. Lawrence County, New York (the “Land”) and the existing improvements and buildings located thereon, if any (the “Existing Improvements”), (ii) the renovation, refurbishment and equipping of the Existing Improvements and/or construction and installation of new buildings and equipment for use as a financial services operations center (collectively, the “Improvements”), and (iii) the acquisition and installation by the Company in and around the Improvements of certain items of equipment and other tangible personal property necessary and incidental in connection with the Company's relocation of employees to the Project facility (the “Equipment”, and collectively with the Land, the Existing Improvements and the Improvements, the “Facility”); and

WHEREAS, pursuant to Article 18-A of the General Municipal Law, the Agency accepted the Application by resolution adopted October 1, 2008 (the “Initial Resolution”) wherein the Agency (i) accepted the Application submitted by the Company and described the Project; (ii) described the financial assistance that the Agency is contemplating with respect to the Project; (iii) authorized the scheduling and conduct of a public hearing relating to the Project; (iv) adopted SEQRA findings with respect to the Project; (v) authorized the undertaking of the Project by the Company, as agent of the Agency pursuant to a certain Agent Agreement; and

WHEREAS, pursuant to and in accordance with the Act, the Agency duly scheduled, noticed and conducted a public hearing on October 22, 2008, at 5:30 PM, local time, in Conference Room 119 of the St. Lawrence County Office of Economic Development, Human Services Center, 80 State Highway 310, Suite 6, Canton, St. Lawrence County, New York relating to the Project with respect to the Project and the proposed financial assistance being contemplated by the Agency (the "Public Hearing") whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views, the minutes of such Public Hearing, along with the Notice of Public Hearing published and forwarded to the affected taxing jurisdictions thirty (30) days prior to said Public Hearing are attached hereto as Exhibit A; and

WHEREAS, a Lease Agreement, Leaseback Agreement, PILOT Agreement and related documents relating to the Project have been negotiated and are presented to this meeting for approval and execution.

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

Section 1. The Chairman, Vice Chairman and/or the Chief Executive Officer of the Agency are hereby authorized, on behalf of the Agency, to negotiate, execute and deliver the Lease Agreement, Leaseback Agreement, PILOT Agreement (and related documents, collectively, the "Agency Documents"); *provided, however*, that (i) the rental payments under the Lease/Leaseback Agreement include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project; and (ii) the terms of the PILOT Agreement are consistent with the Agency's Uniform Tax Exemption Policy *or* the procedures for deviation have been complied with.

Section 2. 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 and to execute and deliver all such 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 resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 3. This Resolution shall take effect immediately.

**SECRETARY'S CERTIFICATION**

STATE OF NEW YORK                    )  
COUNTY OF ST. LAWRENCE        )

I, Lynn Blevins, the undersigned, Secretary of the St. Lawrence 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 6, 2008, with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 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 duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

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 \_\_\_\_ day of November, 2008.

\_\_\_\_\_/s/\_\_\_\_\_  
(Mr.) Lynn Blevins  
Secretary

(SEAL)

## Exhibit A

### NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Article 18-A of the New York General Municipal Law will be held by the St. Lawrence County Industrial Development Agency (the "Agency") on October 22, 2008, at 5:30 PM, local time, in Conference Room 119 of the St. Lawrence County Office of Economic Development, Human Services Center, 80 State Highway 310, Suite 6, Canton, St. Lawrence County, New York, in connection with the following matter:

**COMMUNITY BANK NA**, for itself or on behalf of an entity to be formed (the "Company"), has requested the Agency's assistance with a certain project (the "Project") consisting of consisting of (i) the acquisition by the Agency of fee title to or a leasehold interest in property located at 1 Tallman Road on Route 1 in the Maple Hill Sub-division (TM Ids.: 88.057-1-18, 88.057-1-17, 88.058-4-3 and 88-058-4), in the Village of Canton, St. Lawrence County, New York (the "Land") and the existing improvements and buildings located thereon (the "Existing Improvements"), (ii) the renovation, refurbishment and equipping of the Existing Improvements and/or construction and installation of new buildings and equipment for use as a financial services operations center (collectively, the "Improvements"), and (iii) the acquisition and installation by the Company in and around the Improvements of certain items of equipment and other tangible personal property necessary and incidental in connection with the Company's relocation of employees to the Project facility (the "Equipment", and collectively with the Land, the Existing Improvements and the Improvements, the "Facility").

The Agency will acquire title to, or a leasehold interest in, the Facility and lease the Facility back to the Company. The Company will operate the Facility during the term of the lease. At the end of the lease term, the Company will purchase the Facility from the Agency, or if the Agency holds a leasehold interest, the leasehold interest will be terminated. The Agency contemplates that it will provide financial assistance (the "Financial Assistance") to the Company in the form of sales and use tax exemptions and a mortgage recording tax exemption, consistent with the policies of the Agency, and a partial real property tax abatement, provided that the Agency's policies and procedures for deviation have been complied with.

A representative of the Agency will be at the above-stated time and place to present a copy of the Company's project Application (including a cost-benefit analysis) and hear and accept written and oral comments from all persons with views in favor of or opposed to or otherwise relevant to the proposed Financial Assistance.

Dated: September 12, 2008

By: ST. LAWRENCE COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

**MINUTES OF PUBLIC HEARING HELD ON OCTOBER 22, 2008**

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
COMMUNITY BANK NA**

1. Raymond H. Fountain, the Chief Executive Officer of the St. Lawrence County Industrial Development Agency (the "Agency"), called the meeting to order at 5:30 PM, in the conference room of the St. Lawrence County Office of Economic Development, Canton, New York.
2. The Chief Executive Officer directed Secretary I, Suzan Denny, to record the minutes of the hearing.
3. Suzan Denny read the following: "Community Bank, NA, for itself or on behalf of an entity to be formed (the "Company"), has requested the Agency's assistance with a certain project (the "Project") consisting of (i) the acquisition by the Agency of fee title to or a leasehold interest in property located at 1 Tallman Road on Route 1 in the Maple Hill Sub-division (TM Ids.: 88.057-1-18, 88.057-1-17, 88.058-4-3 and 88-058-4), in the Village of Canton, St. Lawrence County, New York (the "Land") and the existing improvements and buildings located thereon (the "Existing Improvements"), (ii) the renovation, refurbishment and equipping of the Existing Improvements and/or construction and installation of new buildings and equipment for use as a financial services operations center (collectively, the "Improvements"), and (iii) the acquisition and installation by the Company in and around the Improvements of certain items of equipment and other tangible personal property necessary and incidental in connection with the Company's relocation of employees to the Project facility (the "Equipment", and collectively with the Land, the Existing Improvements and the Improvements, the "Facility")."

The Agency will acquire title to, or a leasehold interest in, the Facility and lease the Facility back to the Company. The Company will operate the Facility during the term of the lease. At the end of the lease term, the Company will purchase the Facility from the Agency, or if the Agency holds a leasehold interest, the leasehold interest will be terminated. The Agency contemplates that it will provide financial assistance (the "Financial Assistance") to the Company in the form of sales and use tax exemptions and a mortgage recording tax exemption, consistent with the policies of the Agency, and a partial real property tax abatement, provided that the Agency's policies and procedures for deviation have been complied with.

A representative of the Agency will be at the above-stated time and place to present a copy of the Company's project Application (including a cost-benefit analysis) and hear and accept written and oral comments from all persons with views in favor of or opposed to or otherwise relevant to the proposed Financial Assistance.

4. The Chief Executive Officer then opened up the hearing for comments from the floor for or against the proposed project. The following is a listing of the persons heard and a summary of their views:

No member of the public attended; no written statements were received.

5. There being no public comment, the Chief Executive Officer closed the hearing at 5:45 PM.

\_\_\_\_\_  
/s/  
Suzan M. Denny  
Secretary I