

MINUTES
FINGER LAKES REGIONAL TELECOMMUNICATIONS DEVELOPMENT CORP.
dba AXCESS ONTARIO
BOARD OF DIRECTORS MEETING
March 25, 2022

Members Present:

Chris DeBolt (*ex officio*)
John Dorak (term expires Annual Meeting 2023)
Bob Lowenthal (term expires Annual Meeting 2023)
Michael Manikowski (*ex officio*)
Bob Seem (term expires Annual Meeting 2023)
John Sheppard (term expires Annual Meeting 2023)
Andrew (Drew) Wickham (*ex officio*)

Members Absent:

Don Culeton (term expires Annual Meeting 2023)

Others Present:

Sean Barry, CEO
Terry Phillips, CFO, Bonadio
Helen Zamboni, General Counsel
Gary Edom, Flaherty Salmin
Jim Baase, Empire Access

The March 25, 2022 meeting of the Board of Directors of the Finger Lakes Regional Telecommunications Development Corp., dba Axxcess Ontario, was called to order on a Webex teleconference at 10:03 a.m. by Chairman Bob Seem.

APPROVAL OF MINUTES:

A motion was made by Drew Wickham, seconded by John Sheppard, to approve the minutes of the board meeting on January 28, 2022. Motion carried.

AUDIT PRESENTATION:

Bob Seem introduced Gary Edom, CPA, from Flaherty Salmin. Gary presented the results of the audit of Axxcess Ontario's 2021 financial statements. He thanked Terry, Sean and Linda for their help during the audit. The auditors have issued a "clean" opinion, that in the process of conducting the audit no journal entries or adjustments were made to the financials, and that there were no difficulties in conducting the audit or disagreements with management. Gary noted that AO is in cruise control. The increase in interest rates and the pay down in the debt balance have caused the swap liability to decrease. Bob Lowenthal offered to do his own validation of the swap liability as calculated by the bank; Terry and the auditors verify that the bank's calculation appears to be consistent with the language in the swap documents. Terry pointed out that there are only 13 months left on the lease, and with the purchase price AO will be able to pay off the Citizen's debt. The issue will be payment of the County debt. Gary reviewed the letters that are included with the statements (management representation and

internal controls letters). Gary then asked if any director wanted to have an executive session without Terry present to discuss any concerns with the financials or the audit process. As none did, Gary then asked for board approval of the audited financials, so that the letters may be dated today and signed, and the audit filed on PARIS. With that, John Sheppard moved, seconded by Bob Lowenthal, that the audit report be accepted. Motion carried. Gary was then excused.

FINANCIAL UPDATE:

Terry said that there would be no financial update, as Linda has been busy with other clients now in tax return preparation. The 990 has been put on extension, so it will need to be reviewed prior to the October deadline and released for filing with the IRS then.

As to the County debt, Drew and Chris have started discussions, but agreed that they need to bring the Board of Supervisors up to date and will do so soon. Terry suggested a meeting among himself, Sean, Chris and Drew and the County's Finance Director in the next several weeks.

EMPIRE ACCESS UPDATE:

Jim Baase then joined the meeting to give an update on Empire Access' use of the AO network. There are now over 1,300 customers and \$140,000 in monthly recurring revenue, so a good bit of growth since the closing. Empire has added 52 miles of new construction to the network, and is starting some underground construction now. Jim said that Empire is now the carrier partner of a number of counties in the region in deals funded primarily with USDA (Reconnect) funds, and wondered if Ontario County was interested in such a partnership. Chris replied in the affirmative, so discussions on this with Jim, Sean and Chris will get underway soon. USDA is expected to issue a 4th round of Reconnect funding this spring, so there is some time urgency here. Jim will get Sean and Chris information about the Reconnect 3 eligible addresses soon, so that planning may begin on an application.

Jim then informed the board that Empire (the entire enterprise, including its LEC wireline operations) is being acquired by Antin Venture Partners in a stock deal. The press release about the transaction was to be issued today. The Empire management team will remain in place. Antin is acquiring or has acquired other FTTH providers, and will have significantly more capital to invest to grow the network. Jim estimates that it will be 6 to 8 months till regulatory approvals are in hand, with closing to follow. Jim was then excused.

It was decided to schedule the next board meeting to approve the proposed budget and the 990 in the October timeframe. At 11:05 a.m., a motion was made by John Dorak, seconded by John Sheppard, to adjourn. Motion carried.

Distribution:

All Board Members, present and absent
Ontario County Board of Supervisors
Kristin Mueller, Clerk to the Board of Supervisors
Chris DeBolt, County Administrator
Brian Young, Deputy County Administrator
Holly Adams, County Attorney

Mary Gates, Director of Finance
Michael Manikowski, Economic Developer