

OFFICIAL INTENT RESOLUTION

A regular meeting of the St. Lawrence County Industrial Development Agency ("Agency") was convened in public session on October 26, 2006 at 8:00 a.m. at the McCarthy's Restaurant, 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
Walter Basmajian	X	
Lynn Blevins		X
R. Shawn Gray	X	
Jon R. Greenwood	X	
Ernest LaBaff	X	
Brian W. Staples	X	
R. Joseph Weekes, Jr.	X	

Also present: Raymond H. Fountain, CEO; Patrick J. Kelly, Deputy Director; Edwin Short, CFO; Rich Williams, Facilities Manager; Brian Norton, Economic Developer; Natalie Haggart, Administrative Assistant; William R. Small, Esq., Agency Counsel

A motion was duly made and seconded. The following Resolution was placed before the members of the Agency.

RESOLUTION TAKING OFFICIAL ACTION TOWARDS THE
ISSUANCE OF UP TO \$10,000,000 PRINCIPAL AMOUNT
INDUSTRIAL DEVELOPMENT REVENUE BONDS (THE
"NEWTON FALLS PROJECT"), SERIES 2006 (THE "BONDS")
FOR THE PURPOSE OF FINANCING A CERTAIN PROJECT (AS
MORE FULLY DESCRIBED BELOW) FOR THE BENEFIT OF
NEWTON FALLS FINE PAPER COMPANY, LLC (THE
"COMPANY").

Resolution No. 06-10-19

WHEREAS, the Company, a Delaware corporation, has applied to the Agency requesting the Agency issue the Bonds for the purposes of financing a certain Project (the "Project") consisting of the acquisition of approximately 15 acres of land located at 875 County Rt. 60, Newton Falls, New York 13666 (the "Land") and the existing structures and fixtures thereon (the "Existing Improvements"), consisting principally of resources and improvements used in the processing and selling of paper and paper products; the refurbishment of existing improvements (the "Improvements"); the acquisition, and as necessary the installation in and around the Existing Improvements and the Improvements, of certain items of machinery, equipment and other tangible and personal property (the "Equipment" and collectively with the Land, Existing Improvements and the Improvements, the "Facility").

NOW THEREFORE, be it resolved, by the Agency, as follows:

1. It is intended that this Resolution shall constitute the adoption of “official intent” (within the meaning of the United States Treasury Regulations Section 1.150-2(d)) with respect to the issuance of the Bonds and the original expenditures which are reasonable expected to be reimbursed from the proceeds of the Bonds.
2. This resolution shall authorize the Agency to publish notice and conduct a public hearing as required by Article 18-A of the New York State General Municipal Law and Section 147(f) of the Internal Revenue Code of 1986, as amended.
3. At its next regular meeting the Agency shall designate its bond counsel; and bond counsel and local counsel are hereby authorized to work with counsel to the Company and others to prepare for submission to the Agency, all documents necessary to effect the authorization, issuance and sale of the Bonds.
4. The Chairman of the Agency is hereby authorized and directed to issue copies of the this Resolution to the Company and to do such further things and perform such acts as may be necessary or convenient to implement the provisions of this Resolution.
5. The resolutions above are subject to compliance by the Company with State Environmental Quality Review Act, all local zoning regulations and other regulatory procedures and negotiation of definitive agreements concerning the Agency’ involvement. These resolutions are not intended to commit the Agency to a definitive course of future decisions or actions.
6. This Resolution shall take effect immediately after adoption.

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

MEMBER	AYE	NAY	ABSTAIN	ABSENT
Walter Basmajian	X			
Lynn Blevins				X
R. Shawn Gray	X			
Jon R. Greenwood	X			
Ernest LaBaff	X			
Brian W. Staples	X			
R. Joseph Weekes, Jr.	X			

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
COUNTY OF ST. LAWRENCE) SS:

I, the undersigned Vice-Chairman of the St. Lawrence County Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the annexed extract of minutes of the meeting of the St. Lawrence County Industrial Development Agency (the "Agency"), including the resolution contained therein, held on October 26, 2006, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolution set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

I FURTHER CERTIFY, that all members of said Agency had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with such Article 7.

I FURTHER CERTIFY, that 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 modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency this 26th day of October, 2006.

Ernest LaBaff, Vice-Chairman

[SEAL]