

**RESOLUTION**

*(Curran Renewable Energy, LLC Project)*

A regular meeting of the St. Lawrence County Industrial Development Agency was convened on Thursday, January 25, 2007, at 8:07 a.m., local time, at McCarthy’s Restaurant, Route 11, Canton, New York.

The meeting was called to order by the Vice-Chairman, with the following members being:

<b>MEMBER</b>	<b>PRESENT</b>	<b>ABSENT</b>
Walter Basmajian	X	
Lynn Blevins	X	
Jon R. Greenwood	X	
Ernest LaBaff	X	
Frederick S. Morrill	X	
Brian W. Staples	X	
R. Joseph Weekes, Jr.	X	

The following persons were ALSO PRESENT: Raymond Fountain, CEO; Patrick Kelly, Interim CFO; Natalie Haggart, Administrative Assistant; Richard Williams, Facilities Manager; Brian Norton, Economic Developer; William R. Small, Esq., Agency Counsel, and Sue Mende, St. Lawrence County Newspapers.

After the meeting had been duly called to order, the Vice-Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to a proposed project for the benefit of Curran Renewable Energy, LLC.

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

RESOLUTION (1) TAKING OFFICIAL ACTION TOWARDS THE ISSUANCE BY THE ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "ISSUER") OF UP TO \$11,000,000 PRINCIPAL AMOUNT INDUSTRIAL DEVELOPMENT REVENUE BONDS FOR THE BENEFIT OF CURRAN RENEWABLE ENERGY, LLC FOR THE PURPOSE OF FINANCING A CERTAIN PROJECT (AS DESCRIBED BELOW), (2) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE ISSUER WITH RESPECT TO THE PROJECT, AND (3) AUTHORIZING A PUBLIC HEARING WITH RESPECT TO THE PROJECT

RESOLUTION NO. 07-01-03

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,

(hereinafter collectively called the "Act"), the **ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (hereinafter called the "Issuer") was created with the authority and power to promote, develop, encourage and assist in acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial, civic, research, and recreational facilities as authorized by the Act, and in connection therewith to issue its revenue bonds, enter into straight lease transactions and provide other forms of financial assistance; and

WHEREAS, **CURRAN RENEWABLE ENERGY, LLC** (the "Company"), a New York corporation having offices at 15121 State Highway 37, Massena, New York, has submitted an application (the "Application") to the Issuer, copies of which were presented at this meeting and a copy of which is on file at the office of the Issuer, requesting that the Issuer issue its Industrial Development Revenue Bonds (Curran Renewable Energy, LLC Project), Series 2007 (the "Bonds") in the aggregate principal amount not to exceed \$11,000,000 to provide funds for the Company to undertake a certain project (the "Project") consisting of: (A) the acquisition (or retention) by the Issuer of an interest in (i) certain real property located at 16 Commerce Drive, Massena, St. Lawrence County, New York (the "16 Commerce Drive Land") and the approximately 30,000 square-foot vacant building located thereon (the "16 Commerce Drive Existing Improvements") and (ii) 20 Commerce Drive, Massena, St. Lawrence County, New York (the "20 Commerce Drive Land" and, together with the 16 Commerce Drive Land, the "Land") and the approximately 14,000 square-foot vacant building located thereon (the "20 Commerce Drive Existing Improvements" and together with the 16 Commerce Drive Existing Improvements, the "Existing Improvements"); (B) the upgrading, renovation and modernization of the Improvements to house the Company's wood pellet production and manufacturing business, including approximately 4,000 square feet of office and related space (the "New Improvements" and, together with the Existing Improvements, the "Improvements"); (C) the acquisition and installation in and around the Improvements of certain items of machinery, equipment and other tangible personal property including, but not limited to, mulch and chip handling systems, dust collection systems, sprinkler systems, construct bins and conveyor systems, concrete piers and pads, overhead bins and loading trailers, packaging line and power distribution systems, sawdust storage and transport systems, dry and burner systems, spark detection and extinguishing systems, and emergency stop circuits and fire safety equipment (the "Equipment" and, together with the Land and the Improvements, the "Facility"); (D) the funding of a debt service reserve fund to secure the Bonds; (E) paying certain costs and expenses incidental to the issuance of the Bonds (the costs associated with items (A) through (E) above being hereinafter collectively referred to as the "Project Costs"); and (F) the sale or lease (with an obligation to purchase) of the facilities financed with the Bonds to the Company; and

WHEREAS, the Company has indicated in the Application that the maximum estimated cost of undertaking the Project will be approximately \$11,000,000; and

WHEREAS, the Issuer has given due consideration to the Application in which the Company represents that the undertaking of the Project will not result in the removal of a civic, commercial, industrial or manufacturing facility or plant of the Company or any proposed Facility occupant from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any Facility occupant located in the State; and

WHEREAS, the Issuer is contemplating providing financial assistance to the Company with respect to the Project (collectively, the "Financial Assistance") in the form of: (1) the financing of the Project and certain necessary and incidental expenditures incurred in connection therewith through the issuance by the Issuer of its industrial development revenue bonds in one or more series in an amount not to exceed the lesser of the Project Costs or \$11,000,000, (2) an exemption from all state and local sales and use taxes with respect to the qualifying personal property included in or incorporated into the Facility or used in the acquisition, construction, renovation or equipping of the Facility, (3) the grant of one or more mortgage liens on the Issuer's interest in the Facility (the "Mortgages") to secure the Bonds and/or any other indebtedness incurred by or for the benefit of the Company in connection with the Project, which Mortgages would be exempt from all mortgage recording taxes imposed in the State, and (4) the retention of title to or a leasehold interest in the Facility by the Issuer for a period of time so as to enable the Company to enter into an agreement with the Issuer regarding payments in lieu of real property taxes (the "PILOT Agreement") for the benefit of each municipality and school district having taxing jurisdiction over the Project; and

WHEREAS, pursuant to Article 18-A of the General Municipal Law the Issuer desires to adopt a resolution describing the Project and the Financial Assistance that the Issuer is contemplating with respect to the Project; and

WHEREAS, the Issuer currently owns the Existing Improvements and desires to transfer same to the Company in furtherance of the Project through a negotiated disposition, as permitted pursuant to the Public Authorities Accountability Act of 2005 ("PAAA"); and

WHEREAS, pursuant to PAAA, the Issuer desires to transmit a notice of negotiated disposition relating to the transfer of the Existing Improvements to the Company; and

WHEREAS, the Company reasonably expects that it will (i) pay or incur certain capital expenditures in connection with the Project prior to the issuance of the Bonds, (ii) use funds from sources other than proceeds from the Bonds which are or will be available on a short-term basis to pay for such capital expenditures, and (iii) reimburse itself for the use of such funds with proceeds of the Bonds;

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

Section 1. Based upon the representations made by the Company to the Issuer in the Company's Application, the Issuer hereby finds and determines that:

(A) By virtue of the Act, the Issuer 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) It is desirable and in the public interest for the Issuer to (i) acquire an interest in the Land, the Improvements and Equipment constituting the Facility, (ii) sell or lease the Issuer's

interest in the Land, the Improvements and the Equipment to the Company pursuant to a sale or lease agreement to be negotiated, and (iii) issue the Bonds to finance the Project Costs; and

(C) The Issuer has the authority to take the actions contemplated herein under the Act; and

(D) The action to be taken by the Issuer will induce the Company to undertake the Project, thereby increasing employment opportunities in the St. Lawrence County, which is located within St. Lawrence County and otherwise furthering the purposes of the Issuer as set forth in the Act; and

(E) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Issuer hereby finds that, based on the Company's Application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries.

Section 2. The proposed Financial Assistance being contemplated by the Issuer includes (i) financing all or a portion of the Project Costs by the issuance of the Bonds in an amount not to exceed the lesser of the Project Costs or \$11,000,000; (ii) an exemption from all mortgage recording taxes with respect to any qualifying mortgage on the Land and the Improvements (or such interest therein as is conveyed to the Issuer) to secure the Bonds and (iii) an abatement or exemption from real property taxes levied against the Facility pursuant to a PILOT Agreement to be negotiated.

Section 3. The Company is hereby authorized to conduct such environmental, engineering, economic, feasibility and other studies and preliminary planning and budgetary processes necessary or convenient to enable the Issuer to make its final determination whether to approve the Financial Assistance, and the Company is further authorized to advance such funds as may be necessary for such purpose, subject, to the extent permitted by law, to reimbursement from the proceeds of the sale of the Bonds, if the Bonds are issued.

Section 4. With respect to the issuance of the Bonds, the law firm of Harris Beach PLLC is hereby appointed Bond Counsel to the Issuer.

Section 5. Counsel to the Issuer and Bond Counsel for the Issuer are hereby authorized to work with counsel to the Company and others to prepare for submission to the Issuer, all documents necessary to effect the authorization, issuance and sale of the Bonds.

Section 6. 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 issuance of the Bonds and the original expenditures which are reasonably expected to be reimbursed from the proceeds of the Bonds.

Section 9. The Issuer is hereby authorized to conduct the Public Hearing in compliance with the Act and Section 147(f) of the Code. The Financial Assistance approved by this Resolution shall not exceed \$100,000 until such time as the Public Hearing is held and a subsequent resolution or resolutions of the Issuer shall have been adopted.

Section 10. The Issuer's approval of the Financial Assistance shall be by further resolution of the Issuer and shall be subject to such terms and conditions as are set forth therein.

Section 11. The officers, employees and agents of the Issuer are hereby authorized and directed for and in the name and on behalf of the Issuer 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 Issuer with all of the terms, covenants and provisions of the documents executed for and on behalf of the Issuer.

Section 12. The officers, employees and agents of the Issuer are hereby authorized and directed for and in the name and on behalf of the Issuer to undertake the final negotiation of the respective real estate interests to be disposed as contemplated herein with the Company in accordance with Public Authorities Law (“PAL”) Section 2897(6)(c)(v), whereby such dispositions are intended to further an economic development interest of the County of St. Lawrence, New York. The Issuer hereby authorizes the execution and delivery of a supplemental Notice of Disposition attached hereto as **Exhibit A**, required pursuant to the PAAA.

Section 13. The Chairman, Vice Chairman and/or Chief Executive Officer of the Issuer are hereby authorized to execute and deliver a preliminary offering memorandum (the "Offering Memorandum") with such changes therein as Issuer's Counsel or Bond Counsel may advise and the Chairman, Vice Chairman and Chief Executive Officer of the Issuer may approve, such approval to be evidenced by the execution thereof by the Chairman, Vice Chairman and Chief Executive Officer of the Issuer.

Section 14. This Resolution shall take effect immediately.

<b>MEMBER</b>	<b>AYE</b>	<b>NAY</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
Walter Basmajian	X			
Lynn Blevins	X			
Jon R. Greenwood	X			
Ernest LaBaff	X			
Frederick S. Morrill	X			
Brian W. Staples	X			
R. Joseph Weekes, Jr.	X			

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

I, Lynn Blevins, the undersigned, Secretary 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 January 25, 2007, 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 25<sup>th</sup> day of January, 2007.

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(Mr.) Lynn Blevins  
Secretary

[SEAL]