

**RESOLUTION**

*(St. Lawrence Lumber, Inc. Project)*

A regular meeting of the St. Lawrence County Industrial Development Agency was convened on Tuesday, February 20, 2007, at 8:00 a.m., local time, at Best Western/University Inn, Canton, New York.

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

<u>MEMBER</u>	<u>PRESENT</u>	<u>ABSENT</u>
Walter Basmajian	X	
Lynn Blevins	X	
Frederick S. Morrill	X	
Jon R. Greenwood	X	
Ernest LaBaff	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; Justin Miller, Esq., Harris Beach; members of the public.

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 St. Lawrence Lumber, Inc.

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

**RESOLUTION ADOPTING AMENDED FINDINGS PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, PAYMENT-IN-LIEU-OF-TAX AGREEMENT, MORTGAGE (IF NECESSARY), AND RELATED DOCUMENTS WITH RESPECT TO THE ST. LAWRENCE LUMBER, INC. PROJECT, AS MORE FULLY DESCRIBED BELOW;**

Resolution No. 07-02-05

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"), **ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (hereinafter called "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, **ST. LAWRENCE LUMBER, INC.** (the "Company") previously submitted a joint application (the "Application") to the Agency requesting the Agency's assistance with a certain project (the "Project") consisting of (i) the acquisition of title to or a leasehold interest in certain property located on State Route 58, Town of Fowler, St. Lawrence County, New York (the "Land") and the existing improvements located thereon, if any (the "Existing Improvements"), (ii) the construction and equipping on the Land of an approximately 18,550 square-foot sawmill and 60' by 100' pole barn (the "Improvements"), (iii) the acquisition in and around the Improvements of certain items of equipment and other tangible personal property, all in furtherance of the Company's sawmill and lumber business (the "Equipment," and collectively with the Land, the Existing Improvements and the Improvements, the "Facility"); and

WHEREAS, on December 19, 2006, the Agency adopted a resolution (the "Inducement Resolution") authorizing the Company to act as its agent to undertake the Project, and directed that a public hearing (the "Public Hearing") be held and a lease agreement (the "Lease Agreement"), leaseback agreement (the "Leaseback Agreement"), payment-in-lieu-of-tax agreement (the "PILOT Agreement") and related documents be negotiated; and

WHEREAS, the Agency duly noticed and conducted the Public Hearing on Tuesday, February 6, 2007, at 11:00 a.m., at Fowler Town Hall, 87 Little York Road, Gouverneur, New York 13642, in compliance with the Act (the "Public Hearing"); and

WHEREAS, the Company has notified the Agency that the Company executed an Order on Consent (DEC Case #R6-20060919-76, the "Order") on February 9, 2007 with the New York State Department of Environmental Conservation ("DEC") relating to the Company's failure to obtain a State Pollution Discharge Elimination System ("SPDES") permit in contravention of the Environmental Conservation Law ("ECL"); and

WHEREAS, pursuant to the provisions of the Order, and upon review of additional Project-related information provided by the Company, the Agency desires to re-establish itself as "lead agency" and amend its previous determination of environmental significance under the State Environmental Quality Review Act ("SEQRA"); and

WHEREAS, the Agency desires to adopt a resolution approving the execution and delivery of the Lease Agreement, Leaseback Agreement, PILOT Agreement, mortgage (if necessary) and related documents necessary for financing related to the Project.

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

Section 1. The Agency hereby amends the previously-adopted SEQRA determinations relating to the Project, as contained within Section 1(F) of the Inducement Resolution, to read as follows:

- a) The Company has submitted an updated Full Environmental Assessment Form ("FEAF") with respect to the Project, along with an executed version of the Order, a copy of which is attached hereto as **Exhibit A.**

- b) The Project is considered a “Type I” action pursuant to 6 NYCRR Part 617.4 of the SEQRA regulations.
- c) The Agency’s review is coordinated and consent for the establishment of the Agency as “lead agency” under SEQRA has been granted by DEC, as the sole “involved agency”. Therefore, the Agency hereby declares itself Lead Agency under SEQRA for purposes of conducting a coordinated review of the Project pursuant to 6 NYCRR Part 617.14 of the SEQRA regulations.
- d) The Agency has reviewed the revised information contained within the FEAF, reports and surveys completed by the Company, as well as the mandated provisions contained within the Order, such mandates being incorporated herein and made a condition to the Agency’s undertaking of the Project.
- e) Based upon the review by the Agency of the FEAF, the Company’s agreement to comply with the terms and conditions of the Order, and any and all related documents delivered by the Company to the Agency and other representations made by the Company to the Agency in connection with the Project, the Agency has considered the Project pursuant to the parameters set forth in 6 N.Y.C.R.R. §§ 617.2(b) and 617.3(g) of the SEQRA regulations
- f) Based on the review by the Agency of the FEAF and related documents delivered by the Company to the Agency, the Consent Order executed by the Company and the New York State Department of Environmental Conservation, and all other documents, information, representations, and studies provided by the Company to the Agency in connection with the Project, the Agency hereby finds that the Project will not result in a significant potential adverse environmental impact in that: (i) the Project will not involve the removal of a significant amount of vegetation and fauna; (ii) the Project will not result in a significant adverse change in existing air, energy, traffic, odor or noise levels, nor a substantial increase in solid waste production or the potential for erosion, flooding, leaching or drainage problems; (iii) the Project will not result in a significant adverse impact to any of the existing environmental aspects of the Property or surrounding areas; (iv) that any impacts to the quality or quantity of surface or subsurface waters will be mitigated by the issuance of a SPDES permit for the Project, as well as the implementation of the requirements set forth in the Consent Order; (v) no critical environmental areas as designated under 6 N.Y.C.R.R. 617.14(g) shall be impacted; (vi) no aesthetic and/or historical resources or agricultural resources will be impacted; (vii) the Project poses no hazard to human health; (viii) the Project does not include adverse impacts to open space, recreational uses or growth and community character; and (ix) the Project does not include any potential significant adverse environmental impacts related to the any of the remaining criteria set forth in 6 N.Y.C.R.R. § 617.7(c) of the SEQRA regulations (which have not been specifically addressed herein).
- g) Based on the foregoing, the Agency finds that the Project will not have a potential significant adverse impact on the environment in accordance with the New York State Environmental Quality Review Act, Article 8 of the New York Environmental Conservation Law, and, in particular, pursuant to the criteria found at 6 N.Y.C.R.R. § 617.7 of the SEQRA regulations. The Agency thus issues a Negative Declaration pursuant to SEQRA.

- h) A Notice of this Negative Declaration shall be filed and/or published to the extent required by the applicable SEQRA regulations, and as the Agency may deem advisable. The findings and conclusions relating to the determination of significance contained within the Notice of Negative Declaration are hereby adopted and incorporated by reference into this Resolution.

Section 2. The Chairman, Vice Chairman and/or the Chief Executive Officer of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Lease Agreement, Leaseback Agreement, PILOT Agreement and related documents in the form presented at this meeting with such changes as shall be approved by the Chairman, Vice Chairman and/or the Chief Executive Officer upon execution.

Section 3. The Chairman, Vice Chairman and/or Chief Executive Officer of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver any mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents reasonably contemplated by these resolutions or required by an lender or financial institution designated by the Company (the "Lender") in a sufficient amount to undertake the Project (hereinafter, with the Lease Agreement, Leaseback Agreement and PILOT Agreement, collectively called the "Closing Documents"); and, where appropriate, the Secretary or Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency to the Closing Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chairman, Vice Chairman and/or Chief Executive Officer of the Agency shall approve, the execution thereof by the Chairman, Vice Chairman and/or Chief Executive Officer of the Agency to constitute conclusive evidence of such approval; provided in all events recourse against the Agency is limited to the Agency's interest in the Project.

Section 4. 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.

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

<b><u>MEMBER</u></b>	<b><u>AYE</u></b>	<b><u>NAY</u></b>	<b><u>ABSTAIN</u></b>	<b><u>ABSENT</u></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.				

Section 4. These Resolutions shall take effect immediately.

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 February 20, 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 20<sup>th</sup> day of February 2007.

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(Mr.) Lynn Blevins  
Secretary

[SEAL]