

APPROVING RESOLUTION
(AG-Energy PILOT Termination Approval)

A regular meeting of the St. Lawrence County Industrial Development Agency was convened on May 17, 2007, at 8:00 a.m., local time, at Best Western University Inn, 90 East Main Street, Canton, New York.

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

MEMBER	PRESENT	ABSENT
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; Brian Norton, Economic Developer; Richard Williams, Facilities Manager.

The following resolution was offered by Mr. LaBaff and seconded by Mr. Greenwood:

APPROVING (1) THE REQUEST OF AG-ENERGY, L.P. (THE “COMPANY”) TO TERMINATE CERTAIN LEASE AND PILOT AGREEMENT; AND (2) THE TERMS OF A PROPOSED SETTLEMENT AGREEMENT RELATING TO PAYMENTS MADE BY THE COMPANY IN CONNECTION WITH SAME

Resolution No. 07-05-19

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, **AG-ENERGY, L.P.** (the “Company”), pursuant to an Assignment to the Agency, Bill of Sale to the Agency and Agency Indenture, the Company transferred and assigned to the Agency all of its right, title and interest in and to a certain project located in the City of Ogdensburg, New York (hereinafter, the “Project Facility”); and

WHEREAS, the Agency and the Company entered into a certain Lease Agreement dated as of August 1, 1992 (as amended, the "Lease Agreement") which Lease Agreement (or memorandum thereof) was recorded in the St. Lawrence County Clerk's Office on or about September 1, 1992, such Lease Agreement setting forth the terms and conditions pursuant to which the Agency agreed to lease and demise (with an obligation to sell) and the Company agreed to take and hire (with an obligation to purchase) the Project Facility; and

WHEREAS, simultaneously with the execution of the Lease Agreement, the Agency and the Company entered into a certain Payment In Lieu of Tax Agreement, dated as of August 1, 1992 (the "PILOT Agreement"); and

WHEREAS, the Company has elected to exercise its option to terminate the Lease Agreement (hereinafter, the "Termination"), and has notified the Agency of such by filing a certificate with the Agency signed by an authorized representative of the Company stating the Company's intention as required under Section 11.1 of the Lease Agreement; and

WHEREAS, in furtherance of the Termination, contemporaneously with the termination of the Lease Agreement and in accordance with Section 5.2, Section 10.2(b) and Section 11.1 of the Lease Agreement, the Agency is required to convey its interest in the Site Agreement, as defined within the Lease Agreement, along with all right, title and interest in and to the Project Facility to the Company (or the Collateral Agent or the Collateral Agent's nominee or designee, as defined in the Lease Agreement) and the Company shall accept of all the Agency's right, title and interest in and to the Site Agreement and Project Facility for a purchase price equal to all outstanding amounts due and payable to the Agency, including a settled amount of outstanding payments due pursuant to the PILOT Agreement and certain costs incurred by the Agency in connection with the undertakings contemplated herein (the "Obligations"); and

WHEREAS, after prolonged negotiation with the Company with respect to the an agreed sum for the Obligations, the Chief Executive Officer of the Agency, upon due consultation with the Members of the Agency and with representatives of Affected Taxing Jurisdictions, secured the Company's consent to enter into a certain Termination Agreement, Assignment and Mutual Release (the "Termination Agreement"), which is attached hereto as **Exhibit A**; and

WHEREAS, following discussion with and upon feedback from the Affected Taxing Jurisdictions, as contemplated within the Termination Agreement, the Agency desires to approve the terms and conditions set forth within the Termination Agreement and ratify execution and delivery of same as of May 4, 2007.

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

Section 1. The Agency hereby approves the terms and conditions set forth within the Termination Agreement and hereby ratifies the execution and delivery of same by the Chief Executive Officer of the Agency effective May 4, 2007.

Section 2. Pursuant to and in accordance with the Act, the Agency hereby directs that the settlement amounts received by the Agency reflecting a final, pro-rated PILOT Payment be distributed to the Affected Taxing Jurisdictions by June 3, 2007.

Section 3. 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:

Member	Aye	Nay	Abstain	Absent
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			

Section 4. This Resolution shall take effect immediately.

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

I, Brian W. Staples , the undersigned, 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 May 17, 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 17th day of May, 2007.

Brian W. Staples, Chairman

[SEAL]

EXHIBIT A

Form of Termination Agreement, Assignment and Mutual Release

