

AUTHORIZING RESOLUTION
(Newton Falls Fine Paper Company, LLC)

A regular meeting of the St. Lawrence County Industrial Development Agency (“Agency”) was convened in public session on October 23, 2007 at the Best Western, Main Street, 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
Lynn Blevins		X
Jon R. Greenwood	X	
Ernest LaBaff	X	
Andrew McMahan	X	
Frederick S. Morrill	X	
Brian W. Staples	X	
R. Joseph Weekes, Jr.	X	

Also present: Raymond H. Fountain, CEO; Kimberly Gilbert, CFO; Patrick J. Kelly, Deputy Director; Rich Williams, Facilities Manager; Brian Norton, Economic Developer; Natalie Haggart, Administrative Assistant; William R. Small, Esq., Agency Counsel; Jason Clark, Massena BDC; Media.

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

**APPROVING THE FORM, SUBSTANCE AND EXECUTION OF PILOT
AGREEMENT AND RELATED DOCUMENTS**

Resolution No. 07-10-34

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 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, Newton Falls Fine Paper Company, LLC (the “Company”), a Delaware limited liability company authorized to do business under the laws of the State of New York, has submitted an amended application to the Agency requesting the Agency’s assistance with a certain project (the “Project”) consisting of (A) the acquisition of approximately 4,350 acres of land located at 875 County Route 60, Newton Falls, New York (the “Land”), together with the existing buildings located thereon containing approximately 375,000 square feet (the

“Buildings”); (B) the acquisition of machinery, equipment, fixtures and improvements on the Land and in and around the Buildings (the “Existing Improvements”); (C) the refurbishment of Existing Improvements (the “Improvements”); (D) the installation in and around the Existing Improvements and Improvements of machinery, equipment and other tangible and personal property (the “Equipment” and collectively with the Land, Buildings, Existing Improvements, and Improvements, the “Facility”); and

WHEREAS, the Agency is contemplating providing further financial assistance to the Company with respect to the Project (the "Financial Assistance") in the form of a partial real property tax abatement through a payment-in-lieu-of-tax agreement (“PILOT Agreement”); and

WHEREAS, the Agency, by inducement resolution duly adopted on December 5, 2006 appointed the Company as agent and determined, in accordance with the State Environmental Quality Review Act, constituting Article 8 of the New York State Environmental Conservation Law, and the regulations of the New York State Department of Environmental Conservation promulgated thereunder (said law and regulations hereinafter collectively referred to as “SEQR”) that the undertaking of the Project constituted an “unlisted” action within the meaning of SEQR and that no further action is required by the Agency thereunder; and

WHEREAS, the Agency by resolution duly adopted on August 9, 2007 (the “Resolution”), authorized the holding of a public hearing regarding the Financial Assistance described herein; and

WHEREAS, in accordance with Section 859-a of the General Municipal Law, a public hearing was held by the Agency with respect to the Financial Assistance on September 18, 2007, notices of which were published in the *Watertown Daily Times* on August 17, 2007, and also published in the *Ogdensburg Advance News* on August 19, 2007 at least 30 days prior to the date of the public hearing;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AGENCY AS FOLLOWS:

Section 1. The Agency hereby finds and determines:

(a) By virtue of the Act, the Agency 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) The Facility constitutes a “project,” as such term is defined in the Act; and

(c) The Project will promote and maintain permanent private sector jobs, health, general prosperity and economic welfare of the citizens of the State of New York and improve their standard of living and will increase the overall number of permanent private sector jobs in the State and thereby serve the public purposes of the Act; and

(d) The Payment-in-Lieu-of-Tax Agreement (the “PILOT Agreement”) dated as of October 1, 2007, or such other date as the Chairman, Vice Chairman and/or the Chief Executive Officer shall agree, by and among the Company and the Agency, in form satisfactory to the Chairman, Vice Chairman and/or the Chief Executive Officer, will be an effective instrument whereby the Agency and the Company set forth the terms and conditions of their Agreement regarding the Company’s payments in lieu of real property taxes; and

Section 2. In consequence of the foregoing, the Agency hereby determines to execute, deliver and perform the PILOT Agreement.

Section 3. The form and substance of the PILOT Agreement (in substantially the form presented to the Agency and which, prior to the execution and delivery thereof, may be redated) is hereby approved.

Section 4. (a) 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 PILOT Agreement, in substantially the form thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, Vice Chairman and/or the Chief Executive Officer of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman, Vice Chairman and/or the Chief Executive Officer of the Agency, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the “Agency Documents”). The execution thereof by the Chairman, Vice Chairman and/or the Chief Executive Officer of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, Vice Chairman and/or the Chief Executive Officer of the Agency are further hereby authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Installment Sale Agreement).

Section 5. 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 or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, 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 resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 6. It is hereby found and determined that all formal actions of the Agency concerning and relating to the adoption of this resolution were adopted in an open meeting of the Agency; and that all deliberations of the Agency and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements. A copy of this resolution, together with its attachments, shall be placed on file in the office of the Agency where the same shall be available for public inspection during normal business hours.

Section 7. This resolution shall take effect immediately.

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
Lynn Blevins				X
Jon R. Greenwood	X			
Ernest LaBaff	X			
Andrew McMahon	X			
Frederick S. Morrill	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 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 23, 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 23rd day of October, 2007.

Brian W. Staples, Chairman

[SEAL]