

A meeting of the St. Lawrence County Industrial Development Agency was convened in public session on August 7, 2008 in Canton, New York.

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

<u>MEMBER</u>	<u>PRESENT</u>	<u>ABSENT</u>
Andrew McMahan	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; Kimberly Gilbert, CFO; Patrick Kelly, Deputy Director; Richard Williams, Facilities Manager, Tom Sauter, DANC.

The following resolution was offered by LaBaff and seconded by McMahan.

**(1) TAKING OFFICIAL ACTION TOWARDS THE DEVELOPMENT OF A CERTAIN PROJECT (AS MORE FULLY DESCRIBED BELOW) BY BUTTERNUT ASSETS, LLC (THE "COMPANY") AT STATE HIGHWAY 37 IN THE TOWN OF LISBON, NEW YORK; (2) ADOPTING FINDINGS PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT ("SEQRA") IN RELATION TO THE PROJECT; (3) AUTHORIZING FINANCIAL ASSISTANCE TO THE COMPANY FOR THE PROJECT IN THE FORM OF (A) A SALES TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT; (B) A MORTGAGE RECORDING TAX EXEMPTION FOR THE FINANCING RELATED TO THE PROJECT; AND (C) PARTIAL ABATEMENT OF REAL PROPERTY TAXES CONSISTENT WITH THE AGENCY'S UNIFORM TAX EXEMPTION POLICY; (4) APPOINTING BUTTERNUT ASSETS, LLC AS AGENT TO UNDERTAKE THE PROJECT; (5) AUTHORIZING ACCEPTANCE OF TITLE TO CERTAIN REAL PROPERTY AND THE IMPROVEMENTS THEREON IN RELATION TO COMPLETION OF DEVELOPMENT AND CONSTRUCTION OF THE PROJECT; AND (6) AUTHORIZING EXECUTION AND DELIVERY OF A SALE LEASE-BACK AGREEMENT AND CLOSING DOCUMENTS IN RELATION TO FINANCING OF THE PROJECT.**

Resolution No. 08-08-24

WHEREAS, the St. Lawrence County Industrial Development Agency (the "Agency") is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "State") as amended, and Chapter 358 of the Laws of 1971 of the State, as amended (collectively, the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research, civic, and recreation facilities, including industrial pollution control facilities, railroad facilities and certain horse racing facilities, for the purpose of promoting, attracting, encouraging and developing recreation and economically sound commerce and industry to

advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, Butternut Assets, LLC , (the “Company”), has requested the Agency’s assistance with a certain project (the “Project”) consisting of (A) the acquisition of title to or a leasehold interest in an approximately 1.5 acre parcel of land located on State Highway 37 in the Town of Lisbon, New York (the “Land”), (B) the construction and equipping of a commercial building of approximately 6,600 square feet on the Land to be leased to third parties (the “Improvements”) and (C) the acquisition in and around the Improvements of certain items of equipment and other tangible personal property, all in furtherance of the Company’s commercial business (the “Equipment,” and with the Land and the Improvements are collectively the “Facility”); and

WHEREAS, it is contemplated that the Agency will (i) designate the Company as its agent for the purpose of acquiring, constructing and equipping the Project pursuant to an agent agreement (the “Agent Agreement”), (ii) negotiate and enter into a sale-leaseback or lease-leaseback agreement (the “Sale-Leaseback Agreement”) and payment-in-lieu-of-tax agreement (the “PILOT Agreement”) with the Company, (iii) take title to or leasehold interest in the Facility (once the Sale-Leaseback Agreement and PILOT Agreement have been negotiated), and (iv) provide financial assistance to the Company in the form of (a) a sales and use tax exemption for purchases and rentals related to the acquisition, construction and equipping of the Project, (b) a mortgage recording tax exemption for the financing related to the Project, (c) real property taxes consistent with the Agency’s uniform tax exemption policy for manufacturing facilities (the “Financial Assistance”); and

WHEREAS, a public hearing has been scheduled for September 3, 2008 as the Financial Assistance to be provided to the Company by the Agency is anticipated to exceed \$100,000; and

WHEREAS, the Company has submitted to the Agency a Long Form Environmental Assessment Form (the “EAF”) in compliance with Article 8 of the Environmental Conservation Law and Regulations adopted pursuant thereto by the Department of Environmental Conservation of the State (collectively, “SEQRA”) with respect to the Project, a copy of which is attached hereto as Exhibit A.

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

Section 1. The Company has presented an application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company’s application, the Agency hereby finds and determines that:

(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) It is desirable and in the public interest for the Agency to appoint the Company as its agent for purposes of acquiring, constructing and equipping the Project; and

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

(D) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing employment opportunities in St. Lawrence County and otherwise furthering the purposes of the Agency 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 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 other proposed occupant of the Project located within the State; and the Agency 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; and

(F) The Project involves an "Unlisted Action" as said term is defined under SEQRA. The review is uncoordinated. Based upon the review by the Agency of the EAF and 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 hereby finds that (i) the Project will result in no major impacts and, therefore, is one which may not cause significant damage to the environment; (ii) the Project will not have a "significant effect on the environment" as such quoted terms are defined in SEQRA; and (iii) no "environmental impact statement" as such quoted term is defined in SEQRA, need be prepared for this action. This determination constitutes a "negative declaration" for purposes of SEQRA. The Agency's findings are incorporated in Part II of the EAF.

Section 2. The Agency hereby authorizes the Financial Assistance described above, and within the meaning of Section 854(14) of the General Municipal law, to the Company with respect to the Project.

Section 3. Subject to the Company executing an Agent Agreement and the delivery to the Agency of a binder, certificate or other evidence of liability insurance policy for the Project satisfactory to the Agency, the Agency hereby authorizes the Company to proceed with the acquisition, construction and equipping of the Project and hereby appoints the Company as the true and lawful agent of the Agency: (i) to acquire, construct and equip the Project; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency could do if acting in its own behalf.

Section 4. The Chairman, Vice Chairman and/or the Chief Executive Officer of the Agency are hereby authorized, on behalf of the Agency, to (A) accept a deed or lease from the Company conveying the Facility or any portion thereof, to the Agency, (B) negotiate, execute and deliver the Sale Leaseback Agreement, PILOT Agreement and related documents necessary or incidental thereto; provided (i) the installment or rental payments under the Sale-Leaseback Agreement include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and for claims arising out of or related to the Project; and (ii) the terms of the PILOT Agreement are consistent with the agency's Uniform Tax Exemption Policy or procedures for deviation have been complied with, and (C) upon completion of development and construction of the Project or upon such other

occurrence as specified in the Sale Leaseback Agreement, to execute and deliver, if necessary, a deed conveying the Facility back to the Company.

Section 5. 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 this resolution or required by a lender or financial institution designated by the Company (the "Lender") in a sufficient amount to undertake the Project (hereinafter, with the Sale Leaseback 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 6. 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.

Section 7. The Agency is hereby authorized to conduct a public hearing in compliance with the Act.

Section 8. This resolution, the Agent Agreement and any and all related documents shall expire February 28, 2009, unless extended for good cause in writing by the Chief Executive Officer of the Agency, if the Sale-Leaseback Agreement and PILOT Agreement contemplated have not been executed and delivered.

Section 9. 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:

<b>MEMBER</b>	<b>AYE</b>	<b>NAY</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
Andrew McMahan	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 resolution was thereupon declared duly adopted.

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

I, the undersigned Secretary of the St. Lawrence County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that I have compared the foregoing copy of the minutes of the meeting of the Agency, including the Resolution contained therein, held on August 7, 2008 with the original on file, and that the same is a true and correct copy of said original and of the whole of said original so far as the same relates to the subject matters therein referred to.

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 7<sup>th</sup> day of August, 2008.

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(Mr.) Lynn Blevins, Secretary

[SEAL]