

INITIAL RESOLUTION

A regular meeting of the County of Oswego Industrial Development Agency (the “*Agency*”) was convened in public session on March 12, 2013 at 12:00 p.m., at 44 West Bridge Street, Oswego, New York.

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

PRESENT: Jonathan Daniels, Carolyn A. Rush, H. Leonard Schick, Morris Sorbello and Gary T. Toth

ABSENT: Donald H. Kunzwiler

ALSO PRESENT: Kevin C. Caraccioli, David S. Dano and L. Michael Treadwell

The following resolution was duly offered and seconded:

RESOLUTION AUTHORIZING A PUBLIC HEARING REGARDING THE COMPANY’S REQUEST FOR AN EXTENSION OF THE PILOT AGREEMENT

WHEREAS, the County of Oswego 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, together with Chapter 234 of the Laws of 1973 of the State of New York, as amended from time to time (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 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, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to grant “financial assistance” (as defined in the Act) in connection with the acquisition, reconstruction and equipping of one or more “projects” (as defined in the Act); and

WHEREAS, Erie Boulevard Hydropower, L.P., a Delaware limited partnership, authorized to conduct business in the State of New York (the “*Company*”) previously submitted

an application to the Agency which culminated in resolutions dated February 23, 2005 and April 29, 2005 granting to the Company financial assistance (“*Original Financial Assistance*”) including exemptions to real property tax (“*PILOT*”), in connection with a project (“*Project*”) consisting of: (i) the acquisition of a leasehold interest in approximately 909 acres of improved real property located in the Town of Orwell, County of Oswego, State of New York and identified as tax parcel number 075.00-01-01.0 and commonly known as Bennetts Bridge and tax parcel number 089.00-01-02.0 commonly known as Lighthouse Hill (collectively, the “*Facilities*”), the improvement of the Facilities, and the acquisition and installation of certain machinery, equipment and other personal property (collectively, the “*Equipment*”) in the Facilities (the Facilities and the Equipment hereinafter collectively referred to as the “*Project Facility*”), and (ii) the conveyance of a leasehold interest in the Project Facility to the Company to maintain the operation of the Project Facility in Oswego County, to preserve the competitive position of the Company in the deregulated electric generation industry, to induce continued capital investment by the Company in the Project Facility, and to preserve the permanent private sector jobs currently existing at the Project Facility; and

WHEREAS, the Agency previously approved the Company’s request to modify certain of the Financial Assistance previously granted and more specifically the PILOT Agreement (collectively, with the Original Financial Assistance, the “*Financial Assistance*”); and

WHEREAS, the Agency is now considering the Company’s request to further modify certain of the Financial Assistance previously granted and more specifically the PILOT Agreement (the “*Additional Financial Assistance*”) as well as the corresponding term of certain leases entered by and between the parties in connection with the Project; and

WHEREAS, the Agency has not approved the granting of the Additional Financial Assistance; and

WHEREAS, the grant of the Additional Financial Assistance to the Project is subject to the Agency finding after a public hearing pursuant to Section 859-a of the Act that the Project will serve the public purposes of the Act by promoting economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State or increasing the overall number of permanent, private sector jobs in the State; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as “*SEQRA*”), the Agency is required to make a determination with respect to the environmental impact of any “action” (as said quoted term is defined in SEQRA) to be taken by the Agency and the approval of the Additional Financial Assistance constitutes such an action; and

WHEREAS, the Agency has not yet made a determination under SEQRA relative to the Additional Financial Assistance.

NOW, THEREFORE, Be It Resolved by the Members of the County of Oswego

Industrial Development Agency as follows:

Section 1. Based upon the representations made by the Company to the Agency, the Agency hereby makes the following findings and determinations:

(a) The Additional Financial Assistance contemplated with respect to the Project consists of modifying the PILOT Agreement and the corresponding term of certain leases entered by and between the parties in connection with the Project.

Section 2. The Agency hereby directs that pursuant to Section 859-a of the Act, a public hearing with respect to the Project and Additional Financial Assistance shall be scheduled with notice thereof published, and such notice shall further be sent to affected tax jurisdictions within which the Project is located.

Section 3. A copy of this Resolution shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

Section 4. The Chief Executive Officer of the Agency is hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 5. This Resolution shall take effect immediately.

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

	<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>
Jonathan Daniels	X			
Donald H. Kunzwiler				X
Carolyn A. Rush	X			
H. Leonard Schick	X			
Morris Sorbello	X			
Gary T. Toth	X			

The resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) ss.:
COUNTY OF OSWEGO)

I, the undersigned, Chief Executive Officer of the County of Oswego Industrial Development Agency, **DO HEREBY CERTIFY** that (i) I have compared the annexed extract of the minutes of the meeting of the County of Oswego Industrial Development Agency (the “**Agency**”) held on March 12, 2013, 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 the whole of such original insofar as the same relates to the subject matters referred to therein.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency on March 12, 2013.

L. Michael Treadwell,
Chief Executive Officer

(SEAL)