

AMENDED BOND RESOLUTION

At a meeting of the County of Oswego Industrial Development Agency (the "Issuer"), held at 44 West Bridge Street, Oswego, New York, on the 23rd day of August, 2010, at 9:00 a.m., local time, the following members of the Issuer were:

PRESENT: Jonathan Daniels, Donald H. Kunzwiler, Arthur W. Ospelt, Carolyn A. Rush, Morris Sorbello, and Gary T. Toth

ABSENT: H. Leonard Schick

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

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 the issuance and sale of the Issuer's proposed Industrial Development Revenue Bonds, Series 2010 (Fulton Thermal Corp. Project) (the "Bonds") in the aggregate principal amount not to exceed \$10,000,000.00.

Upon motion duly made and recorded, the following resolution was duly adopted by the Issuer with its members voting as follows:

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

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF
THE ISSUER'S INDUSTRIAL DEVELOPMENT REVENUE
BONDS, SERIES 2010 (FULTON THERMAL CORP. PROJECT),
IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED
\$10,000,000**

WHEREAS, Title 1 of Article 18-A of the General Municipal Law of the State (the "Enabling Act") was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York (the "State"); and

WHEREAS, the Enabling Act authorizes and provides for the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and dispose of land and any buildings or other improvements, and all real and personal properties, including, but not limited to, machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial or industrial purposes, in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency to lease or sell any or all of its properties, to issue its bonds for the purpose of carrying out any of its corporate purposes and, as security for the payment of the principal and redemption price of and interest on any such bonds so issued and any agreements made in connection therewith, to mortgage and pledge any or all of its properties, whether then owned or thereafter acquired, and to pledge the revenues and receipts from the lease or sale thereof to secure the payment of such bonds and interest thereon; and

WHEREAS, the Issuer was created, pursuant to and in accordance with the provisions of the Enabling Act, by Chapter 234 of the Laws of 1973 of the State (collectively with the Enabling Act, the "Act"), and is empowered under the Act to undertake the Project (as hereinafter defined); and

WHEREAS, in connection with a project undertaken by the Issuer at the Company's request for the construction, improving and equipping of an approximately 58,000 square foot manufacturing and industrial building on approximately 15 acres of land located at 972 Centerville Road in the Town of Richland, County of Oswego, New York (the "Existing Facility"), the Issuer acquired fee simple title to the Existing Facility and entered into a Lease Agreement dated as of December 1, 2000 (the "Initial Lease Agreement") with the Company and its affiliate, Fulton Boiler Works, Inc.; and

WHEREAS, on March 23, 2009, Fulton Thermal Corp., a corporation organized and existing under the laws of the State of New York ("Company"), presented an application (the "Application") to the Issuer, a copy of which is on file at the office of the Issuer, requesting that the Issuer undertake a project (the "Project") consisting of: (A) the acquisition of a leasehold interest in approximately 18 acres of land located at 972 Centerville Road in the Town of Richland, County of Oswego, New York (the "Land") improved with the Existing Facility and

the construction of and acquisition and installation of machinery, equipment and other personal property (the "Equipment") in an approximately 115,000 square foot addition (the "Facility") to the Existing Facility on the Land (the Land, the Equipment and the Facility are collectively referred to as the "Project Facility") for use in the manufacture of packaged boilers and accessories and other uses directly related and ancillary thereto and (b) the financing of all or a portion of the costs of the foregoing and the costs of issuance by the issuance of the Issuer's tax-exempt or incidental taxable "Industrial Development Revenue Bonds", in an amount not to exceed \$10,000,000; and

WHEREAS, the Company also requested certain other "financial assistance" (as such term is defined in Section 874(14) of the Act) in the form of exemptions from real property taxation, mortgage recording tax, and sales and use taxation as a result of (A) (i) the Issuer taking title, possession or control of the Project Facility and (ii) the Company acting as an agent of the Issuer in connection with the acquisition, construction, and equipping of the Project Facility; and

WHEREAS, the Issuer, by resolution adopted on March 27, 2009 (the "Reimbursement Resolution"), described the Project and Financial Assistance and declared its intention to reimburse the Company for expenditures made for the Project Facility from the proceeds of the tax-exempt Bonds; and

WHEREAS, the Issuer, pursuant to Section 859-a of the Enabling Act and Section 147 of the Internal Revenue Code, as amended (the "Code"), held a public hearing regarding the issuance of the Bonds and the financing of the Project Facility on May 5, 2009, notice of which was duly published in the *Post-Standard*, a newspaper of general circulation in the County of Oswego, on April 18, 2009, and mailed to the chief executive officers of each affected tax jurisdiction on April 17, 2009; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act"), and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the "Regulations", and collectively with the SEQR Act, "SEQRA"), by the resolution adopted May 8, 2009, the Issuer (A) reviewed the Application, and (B) determined the Project constituted an "unlisted action" and that it will not have a "significant effect on the environment" (as such quoted terms are defined in SEQRA); and

WHEREAS, the Issuer, by resolution adopted on May 8, 2009 (the "Inducement Resolution"), preliminarily agreed, subject to the certain conditions, to grant the Financial Assistance, to appoint the Company as its agent with respect to condition of the Project, and to proceed under the provisions of the Act to issue its Bonds for the purpose of financing the cost of the acquisition, construction and equipping of the Equipment and the Facility and paying all or a portion of the costs of issuance thereof; and

WHEREAS, by resolution No. 097 dated June 11, 2009 (the "Public Approval"), the County of Oswego Legislature approved the issuance of the Bonds for purposes of Section 147(f) of the Code; and

WHEREAS, the Issuer, by resolution adopted on July 12, 2010 (the "Bond Resolution"),

authorized the issuance and sale of the Bonds in an aggregate principal amount not to exceed \$9,825,000 and the execution of related documents; and

WHEREAS, the Finance Committee of the Issuer consists of all of the Members of the Issuer acting at this meeting; and

WHEREAS, the undertaking of the Project, the providing of the Project Facility, and the issuance of the Bonds are for a proper purpose, to wit, to promote the job opportunities, the health and the general prosperity and economic welfare of the inhabitants of the State pursuant to the provisions of the Act; and

WHEREAS, the Company has requested that the Issuer increase the aggregate principal amount of its Bonds to an aggregate principal amount not to exceed \$10,000,000 as herein provided; and

NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY OF OSWEGO INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Issuer hereby ratifies the findings and determinations in the Reimbursement Resolution and the Inducement Resolution.

Section 2. Section 5(b) of the Bond Resolution is hereby amended to provide for the principal amount of Bonds to be issued, not to exceed an initial aggregate principal amount of \$10,000,000. The Issuer hereby ratifies and confirms the Bond Resolution, as amended hereby, and finds and determines that it is desirable and in the public interest for the Issuer to issue its Bonds in an aggregate principal amount not to exceed \$10,000,000.

Section 3. No covenant, stipulation, obligation or agreement contained in the Bond Resolution, this Resolution or the Financing Documents (as defined in the Bond Resolution) shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Issuer in his or her individual capacity and neither the members of the Issuer nor any officer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. Neither the members nor officers of the Issuer, nor any person executing the Bonds or any of the Financing Documents on behalf of the Issuer, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution, issuance or delivery thereof.

Section 4. A copy of this Resolution, together with its attachments, shall be placed on file in the office of the Issuer where the same shall be available for public inspection during business hours.

Section 5. This Resolution shall take effect immediately and the Bonds are hereby ordered to be issued in accordance with this Resolution.

STATE OF NEW YORK)
COUNTY OF OSWEGO)

) SS.:

I, the undersigned, Secretary of the Oswego County Industrial Development Agency, **DO HEREBY CERTIFY** that:

I have compared the minutes of the meeting of the Oswego County Industrial Development Agency (the "Issuer") including the resolution contained therein, held on the 23rd day of August, 2010, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Issuer and of such Resolution set forth therein and of the whole of said original insofar as the same relates to the subject matters therein referred to.

I further certify that (i) all members of the Issuer had due notice of the meeting, (ii) pursuant to Article 7 of the Public Officers Law (Open Meetings Law), such meeting was opened to the general public, and notice of the time and place of such meeting was duly given in accordance with Article 7 of the Public Officers Law, (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 Issuer as of August 23, 2010.

L. Michael Treadwell
Chief Executive Officer

[SEAL]