

OFFICIAL INTENT RESOLUTION

A regular meeting of the County of Oswego Industrial Development Agency (the "Agency") was convened in public session on March 27, 2009, at 9:00 a.m., at 44 West Bridge Street, Oswego, New York.

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

Present: Donald H. Kunzwiler, Arthur W. Ospelt, Carolyn A. Rush, H. Leonard Schick, Morris Sorbello, Gary T. Toth, and L. Michael Treadwell

Absent: None

Also Present: Kevin C. Caraccioli and David S. Dano

The following resolution was duly offered and seconded:

RESOLUTION TAKING OFFICIAL ACTION TOWARDS THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS IN AN AMOUNT SUFFICIENT TO FINANCE THE COST OF THE CONSTRUCTION OF AN ADDITION TO, AND EQUIPPING OF, AN EXISTING MANUFACTURING FACILITY AT THE REQUEST OF FULTON THERMAL CORPORATION

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 issue its industrial development revenue bonds to finance the cost of the acquisition, construction and equipping of one or more "projects" (as defined in the Act); and

Whereas, on March 23 ,2009, Fulton Thermal Corporation, a corporation organized and existing under the laws of the State of New York (“Company”), presented an application (the “Application”) to the Agency, a copy of which was presented at this meeting and copies of which are on file at the office of the Agency, requesting that the Agency 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”) 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 its existing manufacturing and industrial building 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; (B) financing of all or a portion of the costs of the foregoing by the issuance of the Agency’s tax-exempt and incidental taxable “Industrial Development Revenue Bonds” (the “Bonds”) in an amount, presently estimated to aggregate up to \$10,000,000; (C) funding a Debt Service Reserve Fund and capitalized interest, if any; (D) granting certain other financial assistance in the form of exemptions from real property taxation, mortgage recording tax, and sales and use taxation (collectively with the Bonds, the “Financial Assistance”); and (E) leasing of the Project Facility to the Company or its designee pursuant to a lease and sublease agreement; 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 defined by SEQRA) to be taken by the Agency and the preliminary agreement of the Agency to undertake of the Project constitutes such an action; and

Whereas, the Agency has not yet made its determination under SEQRA with respect to the acquisition, construction and equipping of the Project Facility; and

Whereas, the Agency has not approved undertaking the Project or issuance of the Bonds; and

Whereas, approval of the issuance of the Bonds by the Oswego County Legislature is necessary in order for the interest on the Bonds to qualify for exemption from federal income taxation;

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 Project Facility constitutes a “project” within the meaning of the Act.
- (b) The Financial Assistance contemplated with respect to the Project consists

of issuance of the Bonds and the grant of exemption from real property taxation, mortgage recording tax and sales and use taxation.

(c) The Agency reasonably expects to reimburse the Company for expenditures made for the Project Facility from the proceeds of the tax-exempt Bonds.

Section 2. A copy of this Resolution, together with the attachments hereto, shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

Section 3. The law firm of Hiscock & Barclay, LLP is hereby appointed bond counsel to the Agency in relation to the issuance of the Bonds.

Section 4. Counsel to the Agency and bond counsel for the Agency are hereby authorized to work with the Company, the purchaser(s) of the Bonds and others to prepare, for submission to the Agency, all documents necessary to effect the authorization, issuance, sale and delivery of the Bonds.

Section 5. The Chairperson or Treasurer 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 6. The Agency hereby declares that this Resolution shall represent its declaration of “official intention” in accordance with Treasury Regulation Section 1.150-2. The Agency reasonably expects to reimburse the Company for its expenditures incurred in connection with the Project Facility with the proceeds of the tax-exempt Bonds.

Section 7. This Resolution shall take effect immediately.

Section 8. The Agency hereby directs that a public hearing with respect to the issuance of the Bonds, the Project and Financial Assistance shall be scheduled with notice thereof published, and that such notice shall further be sent to affected tax jurisdictions within which the Project is located.

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>Recuse</u>	<u>Absent</u>
Donald H. Kunzwiler	X				
Arthur W. Ospelt	X				
Carolyn A. Rush				X	
H. Leonard Schick	X				
Morris Sorbello	X				
Gary T. Toth	X				
L. Michael Treadwell	X				

The resolution was thereupon declared duly adopted.

State Of New York)
) ss.:
County of Oswego)

I, the undersigned Secretary 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 27, 2009, 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 27, 2009.

Secretary

(SEAL)