

A meeting of Cortland County Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency at 37 Church Street in the City of Cortland, Cortland County, New York on May 12, 2008, at 12:10 o'clock p.m., local time.

The meeting was called to order by the Chairman (Vice Chairman) and, upon roll being called, the following members of the Agency were:

PRESENT:

Paul F. Slowey	Chairman
Michael McMahon	Secretary/Assistant Treasurer
John O. Reagan	Treasurer/Assistant Secretary
Thomas Gallagher	Member
Vickie Marsted	Member
John M. Finamore	Member

ABSENT:

Frank H. Suits, Jr.	Vice Chairman
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FOLLOWING PERSONS WERE ALSO PRESENT:

Thomas Gillson	Executive Director
Karen Niday	Empire Zone Coordinator
Sandy Griep	Office Manager
John P. Sidd, Esq.	Agency Counsel

The following resolution was offered by Thomas Gallagher, seconded by Paul Slowey, to wit:

Resolution No.: 2008-05-12-01

RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION WITH A LEASE/LEASEBACK TRANSACTION FOR A COMMERCIAL PROJECT FOR JOHN D. SCANLON OR A BUSINESS ENTITY TO BE FORMED AND WHOLLY OWNED BY MR. SCANLON (COLLECTIVELY, THE "COMPANY").

WHEREAS, Cortland County Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of Laws of 1969 of New

York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 77 of the 1974 Laws of New York, as amended, constituting Section 902 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, renovating, improving, maintaining, equipping and furnishing of manufacturing facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their 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 acquire, construct, reconstruct and install one or more "projects" (as defined in the Act) or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, pursuant to an application, including a cost benefit analysis (the "Application") submitted to the Agency by John D. Scanlon or a business entity to be formed and wholly owned by Mr. Scanlon (collectively, the "Company"), the members of the Agency, on March 17, 2008, adopted a resolution (the "Preliminary Inducement Resolution") whereby the Agency preliminarily agreed, subject to numerous conditions, to consider undertaking a project (the "Project") consisting of the following: (A)(1) the acquisition of an interest in an approximately 0.4 acre parcel of land (the "Land") located at the corner of Main Street and Tompkins Street in the City of Cortland, Cortland County, New York; (2) the construction on the Land of a building to contain approximately 21,000 square feet of space (the "Facility") and (3) the acquisition and installation therein and thereon of certain materials, furnishings, machinery and equipment (the "Equipment"), all of the foregoing to constitute a mixed use building containing retail space and residential space to be operated by the Company (the Land, the Facility and the Equipment being collectively referred to as the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales taxes, real estate transfer taxes, mortgage recording taxes and real property taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, pursuant to the Preliminary Inducement Resolution adopted by the members of the Agency on March 17, 2008, the Executive Director of the Agency (A) caused notice of a public hearing of the Agency to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project (the "Public Hearing") to be mailed on April 4, 2008 to the chief executive officer of the county and of each city, town, village and school district in which the Project is to be located, (B) caused notice of the Public Hearing to be published on April

7, 2008 in the Cortland Standard, a newspaper of general circulation available to residents of the County of Cortland, (C) conducted the Public Hearing on May 12, 2008 at 12:00 o'clock p.m., local time at the office of the Agency located at 37 Church Street, in the City of Cortland, Cortland County, New York, (D) prepared a report of the Public Hearing which fairly summarized the views presented at said public hearing and distributed same to the members of the Agency; 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 (the "Regulations") adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, "SEQRA"), the members of the Agency adopted a resolution on April 14, 2008 (the "SEQR Resolution") in which the Agency determined to be bound by the findings of the City of Cortland Planning Commission under SEQRA in relation to the Project; and

WHEREAS, by resolution adopted by the members of the Agency on May 12, 2008 (the "Final Inducement Resolution"), the Agency determined, following a review of the Report, to finalize the preliminary determination made by the Agency in the Preliminary Inducement Resolution to proceed with the Project and the granting of the Financial Assistance described in the notice of the Public Hearing; and

WHEREAS, in order to consummate the Project and the granting of the Financial Assistance described in the notice of the Public Hearing, the Agency proposes to enter into the following documents (hereinafter collectively referred to as the "Agency Documents"): (A) a certain lease to Agency (and a memorandum thereof) dated as of _____, _____ (the "Underlying Lease") by and between the Company, as landlord, and the Agency, as tenant pursuant to which the Company will lease to the Agency the Project Facility; (B) a lease agreement (and a memorandum thereof) dated as of _____, _____ (the "Lease Agreement") by and between the Agency and the Company, pursuant to which, among other things, the Company agrees to undertake the Project as agent of the Agency and the Company further agrees to lease the Project Facility from the Agency and, as rental thereunder, to pay the Agency's administrative fee relating to the Project and to pay all expenses incurred by the Agency with respect to the Project; (C) a payment in lieu of tax agreement dated as of _____, _____ (the "Payment in Lieu of Tax Agreement") by and between the Agency and the Company, pursuant to which the Company will agree to pay certain payments in lieu of taxes with respect to the Project Facility; and (D) various certificates relating to the Project (the "Closing Documents");

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

Section 1. 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) The Project constitutes a "project, " as such term is defined in the Act; and

(C) The acquisition of the Project Facility and the lease of the Project Facility to the Company will promote and maintain the job opportunities, general prosperity and economic welfare of the citizens of Cortland County, New York and the State of New York and improve their standard of living; and

(D) It is desirable and in the public interest for the Agency to enter into the Agency Documents.

Section 2. In consequence of the foregoing, the Agency hereby determines to: (A) accept the Underlying Lease; (B) proceed with the Project; (C) acquire the Project Facility; (D) lease the Project Facility to the Company pursuant to the Lease Agreement; (E) enter into the Payment in Lieu of Tax Agreement; and (F) grant the Financial Assistance with respect to the Project.

Section 3. The Agency is hereby authorized to acquire a leasehold interest in the Project Facility pursuant to the Underlying Lease and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

Section 4. The Agency is hereby authorized to acquire the Project Facility as described in the Lease Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby ratified, confirmed and approved.

Section 5. The form and substance of the Agency Documents as approved by the Chairman or Vice Chairman are hereby approved.

Section 6. (A) The Chairman (or Vice Chairman) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Agency Documents and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in substantially the forms thereof presented to this meeting, with such changes, variations, omissions and insertions thereto as the Chairman (or Vice Chairman) shall approve, the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

(B) The Chairman (or Vice Chairman) of the Agency is hereby further authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Lease Agreement).

Section 7. 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, 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 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 8. This Resolution shall take effect immediately.

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

Paul F. Slowey	VOTING	Yes
Frank H. Suits, Jr.	VOTING	Absent
Michael McMahon	VOTING	No
John O. Reagan	VOTING	Yes
Thomas Gallagher	VOTING	Yes
Vickie Marsted	VOTING	Yes
John M. Finamore	VOTING	No

The foregoing Resolution was thereupon declared and duly adopted.

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

I, the undersigned Secretary of Cortland County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY, that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on May 12, 2008 with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Agency and of such Resolution set forth therein and of the whole of said original so far as the same related to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respect duly held; (C) 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 given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present through 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 12th day of May, 2008.


Michael McMahon
Secretary/Assistant Treasurer