

RESOLUTION OF THE ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS IN AN AMOUNT SUFFICIENT TO FINANCE CERTAIN COSTS OF THE GRIFFISS UTILITY SERVICES CORPORATION PROJECT, APPOINTING GRIFFISS UTILITY SERVICES CORPORATION AGENT OF THE ISSUER FOR THE PURPOSE OF ACQUIRING, RENOVATING, CONSTRUCTING AND EQUIPPING THE PROJECT FACILITY, AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT, MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE PROJECT FACILITY AND REQUESTING ONEIDA COUNTY TO APPROVE THE ISSUANCE OF THE BONDS.

WHEREAS, Griffiss Utility Services Corporation, a New York not-for-profit corporation, (the "Company") has applied to the Oneida County Industrial Development Agency (the "Issuer") to issue its tax-exempt bonds (the "Bonds") in an amount sufficient to finance certain costs of a project (the "Project") consisting of (A)(1) the acquisition by the Issuer of an interest in a certain parcel of real property located at 655 Ellsworth Road in the City of Rome, Oneida County, New York (the "Land") together with the approximately 77,500 sq. ft. steam and electricity generation facility situated on the Land (the "Existing Facility"), (2) the renovation and reconstruction of the Existing Facility, (3) the acquisition and construction on the Land of an approximately 10,200 sq. ft. addition to the Existing Facility (the "Addition"), and (4) the acquisition and installation in the Existing Facility and the Addition of certain furniture, machinery and equipment (collectively, the "Equipment") (the Land, the Existing Facility, the Addition, and the Equipment being collectively referred to as the "Project Facility"), all for the purpose of expanding and enhancing the Company's steam and electricity generation facility to support the Griffiss Business and Technology Park; (B) financing of all or a portion of the cost of the foregoing by the issuance of revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount not to exceed \$35,000,000; (C) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing, including potential exemptions from mortgage recording taxes and real estate transfer taxes; and (D) the lease (with an obligation to purchase) or sale of the Issuer's interest in the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Issuer; and

WHEREAS, the Issuer's interest in the Project Facility will be leased (with the obligation to purchase) or sold to the Company or such other person as may be designated by the Company and agreed upon by the Issuer, pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 372 of the Laws of 1970 of the State of New York, as the same may be amended from time to time (collectively, the "Act"); and

WHEREAS, the Act authorizes and empowers the Issuer to issue its bonds to promote, develop, encourage and assist projects such as the Project and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, in addition to the issuance of the Bonds, the Issuer contemplates that it will provide financial assistance to the Company in connection with the Project, in the form of exemptions from mortgage recording taxes and real estate transfer taxes; and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds will not be excluded from gross income for federal income tax purposes unless the issuance of the Bonds is approved by the "applicable elected representative" of Oneida County (the "County"), after a public hearing has been held regarding the Project Facility and the issuance of the Bonds; and

WHEREAS, prior to the issuance of the Bonds and the granting of any tax benefits, public notice of the hearing will be given as required by law, a copy of which (together with proof of publication) will be annexed hereto as Exhibit A, and such notice will comply with all requirements of the Code; and

WHEREAS, a public hearing will be held to hear all persons interested in the issuance of the Bonds, the granting of any tax benefits and the location and nature of the Project Facility, and any other financial assistance contemplated, the minutes of which will be annexed as Exhibit B.

WHEREAS, the Company reasonably expects that it will pay or incur certain capital expenditures in connection with the Project prior to the issuance of the Bonds for the Project; and

WHEREAS, the Company will use funds from sources other than Bond proceeds which are or will be available on a short-term basis to pay for preliminary expenditures and the acquisition, construction, renovation and equipping of the Project Facility; and

WHEREAS, the Company reasonably expects that it will reimburse itself for the use of such funds with proceeds of indebtedness to be issued by the Issuer to finance the costs of the Project.

NOW, THEREFORE, BE IT RESOLVED by the Oneida County Industrial Development Agency (a majority of the members thereof affirmatively concurring) that:

Section 1. The financial assistance to be provided by the Issuer to the Company as described in this inducement resolution is contingent upon the City of Rome, as "lead agency", completing its environmental review of the Project as required by the State Environmental Quality Review Act (Article 8 of the Environmental Conservation Law) ("SEQRA").

Section 2. (a) The Agency hereby finds and determines that the Project Facility constitutes an industrial facility within the meaning of the Act, and that the acquisition, renovation, construction and equipping of the Project Facility and the financing thereof by the Issuer, through the issuance of the Bonds pursuant to the Act, and the provision of other financial assistance in connection therewith pursuant to the

Act, will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of Oneida County and the people of the State of New York and improve their standard of living, and thereby serve the public purposes of the Act, and the same is, therefore, approved;

(b) It is desirable and in the public interest for the Issuer to issue the Bonds for the purpose of financing the costs of the acquisition, construction, renovation and equipping of the Project Facility, together with necessary incidental expenses in connection therewith, as reflected in the Company's application to the Issuer, as amended from time to time prior to the issuance of the Bonds. The currently estimated aggregate principal amount of the Bonds to be issued is approximately \$33,000,000 but not to exceed \$35,000,000. It is anticipated that interest on the Bonds will be excludable from gross income of the holders thereof pursuant to Code Section 145, as "Qualified 501(c)(3) Bonds" subject to satisfaction by the Company of all requirements of the Code.

Section 3. The form and substance of a proposed inducement agreement (in substantially the form presented to this meeting) by and between the Issuer and the Company setting forth the undertakings of the Issuer and the Company with respect to the issuance of the Bonds and the development of the Project Facility (the "Agreement") are hereby approved. The Chairman or Vice Chairman of the Issuer is hereby authorized, on behalf of the Issuer, to execute and deliver the Agreement, with such changes in terms and form as the Chairman or Vice Chairman shall approve. The execution thereof by the Chairman or Vice Chairman shall constitute conclusive evidence of such approval.

Section 4. Subject to satisfaction of the conditions set forth in Section 1 hereof, Section 4.02 of the Agreement and the approval of the issuance of the Bonds by Oneida County, and subject to the compliance with any other applicable provisions of the Code, the Issuer shall (i) issue the Bonds in an amount and with maturities, an interest rate, redemption terms and other terms and provisions to be determined by a further resolution of the Issuer, (ii) acquire, renovate, construct and equip the Project Facility, (iii) lease (with an obligation to purchase) or sell the Issuer's interest in the Project Facility to the Company pursuant to an agreement by and between the Issuer and the Company whereby the Company will be obligated, among other things, to make payments to or for the account of the Issuer in amounts and at times so that such payments will be adequate to pay the principal of, premium, if any, and interest on the Bonds, and (iv) secure the Bonds in such manner as the Issuer, the Company and the purchaser(s) of the Bonds mutually deem appropriate. If the proceeds of the sale of the Bonds are insufficient to finance completion of the acquisition, renovation, construction and equipping of the Project Facility, the Issuer will, subject to the terms of the Agreement, and upon the request of the Company, take such actions and execute such documents as may be necessary to effect the issuance from time to time of additional bonds, whether on a parity with the Bonds or otherwise, for the purpose of paying the costs of completing the Project Facility.

Section 5. The Company is herewith and hereby appointed the agent of the Issuer to acquire, renovate, construct and equip the Project Facility, including the following, whether or not any materials or supplies described below are incorporated into or become an integral part of such Project Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition, renovation, construction and equipping of the Project Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with the acquisition, construction, renovation and equipping of the Project Facility, and (iii) all equipment, machinery and other tangible personal property (including installation costs with respect thereto) installed or placed in, upon or under such Project Facility. The Company is hereby empowered to delegate its status as agent of the Issuer to agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company may choose in order to acquire, renovate, construct and equip the Project Facility. The Issuer hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company as agents of the Issuer solely for purposes of making sales or leases of goods, services and supplies to the Project Facility, and any such transaction between any agent, subagent, contractor, subcontractor, materialman, vendor or supplier and the Company, as agent of the Issuer, shall be deemed to be on behalf of the Issuer and for the benefit of the Project Facility. The Company shall indemnify the Issuer with respect to any transaction of any kind between and among the agents, subagents, contractors, subcontractors, materialmen, vendors and/or suppliers and the Company, as agent of the Issuer. The aforesaid appointment of the Company as agent of the Issuer to acquire, renovate, construct and equip the Project Facility shall expire at the earlier of (a) the completion of the acquisition, renovation, construction and equipping of the Project Facility, or (b) such date as the Issuer designates; provided however, such appointment may be extended at the discretion of the Issuer, upon the written request of the Company, if such activities and improvements are not completed by such time. The aforesaid appointment of the Company is subject to the Issuer conducting a public hearing following public notice thereof as required by the Act and the adoption by the Issuer of a ratification resolution confirming that the public hearing has been held and minutes thereof have been made available to the members of the Issuer to aid in their deliberations.

Section 6. The Company is hereby authorized to undertake the financing of the Project Facility with the Bonds.

Section 7. To the extent the Company has paid or incurred or will pay or incur preliminary expenditures or hard costs in connection with the Project Facility with current funds, it reasonably expects to reimburse itself with proceeds from the Bonds.

Section 8. The law firm of Bond, Schoeneck & King, PLLC is hereby appointed Bond Counsel to the Issuer in connection with the issuance of the Bonds.

Section 9. Counsel to the Issuer and Bond Counsel are hereby authorized to work with counsel to the Company and others to prepare, for submission to the Issuer, all documents necessary to effect the authorization, issuance and sale of the Bonds.

Section 10. The Secretary of the Issuer is hereby authorized and directed (i) to distribute copies of this resolution to the Company, (ii) to request the County to approve the issuance of the Bonds, and (iii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 11. This resolution supercedes and replaces an inducement resolution adopted by the Issuer on June 26, 2008.

Section 12. This resolution shall take effect immediately.

STATE OF NEW YORK            )  
  : SS.:  
COUNTY OF ONEIDA            )

I, the undersigned Secretary of the Oneida County Industrial Development Agency, DO HEREBY CERTIFY THAT:

I have compared the foregoing copy of a resolution of the Oneida County Industrial Development Agency (the "Issuer") with the original thereof on file in the office of the Issuer, and the same is a true and correct copy of such resolution and of the proceedings of the Issuer in connection with such matter.

Such resolution was passed at a meeting of the Issuer duly convened in public session on October 15, 2008 at eight o'clock a.m. local time, at Rome, New York at which the following members were:

Present:

Absent:

Also Present:

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

Voting Aye

Voting Nay

and, therefore, the resolution was declared duly adopted.

The Agreement and the Application are in substantially the form presented to and approved at such meeting.



I FURTHER CERTIFY that (i) all members of the Issuer had due notice of said meeting, (ii) pursuant to Sections 103a and 104 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public and public notice of the time and place of said meeting was duly given in accordance with such Sections 103a and 104, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 15 day of October, 2008.

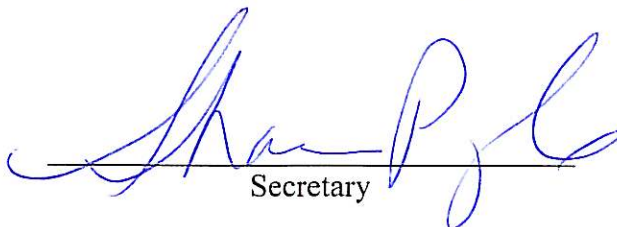
  
Secretary

EXHIBIT A

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NOTICE OF PUBLIC HEARING

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NOTICE IS HEREBY GIVEN that a public hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and Title 1 of Article 18-A of the New York State General Municipal Law will be held by the Oneida County Industrial Development Agency (the "Issuer") on the \_\_ day of \_\_\_\_\_ 2008 at \_\_\_\_\_ a.m. local time, at \_\_\_\_\_, New York in connection with the following matters:

Griffiss Utility Services Corporation, a New York not-for-profit corporation (the "Company"), has requested that the Issuer finance certain costs of a project (the "Project") consisting of (A)(1) the acquisition by the Issuer of an interest in a certain parcel of real property located at 655 Ellsworth Road in the City of Rome, Oneida County, New York (the "Land") together with the approximately 77,500 sq. ft. steam and electricity generation facility situated on the Land (the "Existing Facility"), (2) the renovation and reconstruction of the Existing Facility, (3) the acquisition and construction on the Land of an approximately 10,200 sq. ft. addition to the Existing Facility (the "Addition"), and (4) the acquisition and installation in the Existing Facility and the Addition of certain furniture, machinery and equipment (collectively, the "Equipment") (the Land, the Existing Facility, the Addition, and the Equipment being collectively referred to as the "Project Facility"), all for the purpose of expanding and enhancing the Company's steam and electricity generation facility to support the Griffiss Business and Technology Park; (B) financing of all or a portion of the cost of the foregoing by the issuance of revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount not to exceed \$35,000,000 (the "Bonds"); (C) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing, including potential exemptions from mortgage recording taxes and real estate transfer taxes; and (D) the lease (with an obligation to purchase) or sale of the Issuer's interest in the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Issuer. The Project Facility will be initially owned, operated and/or managed by the Company.

The Bonds will be a special obligation of the Issuer payable solely out of installment purchase payments and other amounts payable to the Issuer and certain other assets of the Issuer and the Company pledged to the repayment of the Bonds. The Bonds shall not be a debt of the State of New York or any political subdivision thereof, including Oneida County, and neither the State of New York nor any political subdivision thereof, including Oneida County, shall be liable thereon. The Issuer anticipates that interest on the Bonds will be tax-exempt pursuant to Code Section 145, as "Qualified 501(c)(3) Bonds", subject to satisfaction of all requirements of the Code.



The Issuer will, at the above-stated time and place, hear all persons with views in favor of or opposed to either the issuance of the Bonds or the location or nature of the Project Facility.

In addition to the issuance of the Bonds, the Issuer contemplates providing financial assistance to the Company with respect to the Project Facility in the form of exemption from mortgage recording taxes and real estate transfer taxes.

A representative of the Issuer will, at the above-stated time and place, hear and accept written comments from all persons with views in favor of or opposed to either the issuance of the Bonds, the granting of other financial assistance contemplated by the Issuer or the location or nature of the Project Facility. At the hearing, all persons will have the opportunity to review the application for financial assistance filed by the Company with the Issuer, and an analysis of the costs and benefits of the proposed Project Facility.

Minutes of the hearing will be made available to the County Executive of Oneida County. Approval of the issuance of the Bonds by Oneida County through the County Executive is necessary in order for the interest on the Bonds to be excluded from gross income for federal income tax purposes.

Dated: \_\_\_\_\_, 2008

ONEIDA COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

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By: David C. Grow  
Title: Chairman

EXHIBIT B

MINUTES OF PUBLIC HEARING  
ON \_\_\_\_\_, 2008

\_\_\_\_\_  
Oneida County Industrial Development Agency  
Industrial Development Revenue Bonds  
(Griffiss Utility Services Corporation Project)

1. David C. Grow, Chairman of the Oneida County Industrial Development Agency (the "Issuer"), called the hearing to order.
2. The Chairman then appointed Shawna M. Papale, Secretary of the Issuer, to record the minutes of the hearing.
3. The Chairman then described the proposed issuance of the Bonds and the location and nature of the Project Facility to be financed as follows:

The Issuer proposes to issue its revenue bonds in an estimated principal amount of \$33,000,000 but not to exceed \$35,000,000 (the "Bonds") to finance certain costs of a project (the "Project") consisting of (A)(1) the acquisition by the Issuer of an interest in a certain parcel of real property located at 655 Ellsworth Road in the City of Rome, Oneida County, New York (the "Land") together with the approximately 77,500 sq. ft. steam and electricity generation facility situated on the Land (the "Existing Facility"), (2) the renovation and reconstruction of the Existing Facility, (3) the acquisition and construction on the Land of an approximately 10,200 sq. ft. addition to the Existing Facility (the "Addition"), and (4) the acquisition and installation in the Existing Facility and the Addition of certain furniture, machinery and equipment (collectively, the "Equipment") (the Land, the Existing Facility, the Addition, and the Equipment being collectively referred to as the "Project Facility"), all for the purpose of expanding and enhancing the Company's steam and electricity generation facility to support the Griffiss Business and Technology Park; (B) financing of all or a portion of the cost of the foregoing by the issuance of the Bonds in one or more issues or series in an aggregate principal amount not to exceed \$35,000,000; (C) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing, including potential exemptions from mortgage recording taxes and real estate transfer taxes; and (D) the lease (with an obligation to purchase) or sale of the Issuer's interest in the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Issuer.

4. The Chairman then opened up the hearing for comments from the floor for or against the proposed issuance of the Bonds and the location and nature of the Project Facility. The following is a listing of the persons heard and a summary of their views:

5. The Chairman then asked if there were any further comments, and, there being none, the hearing was closed at \_\_\_\_\_.

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Secretary

STATE OF NEW YORK            )  
  : SS.:  
COUNTY OF ONEIDA            )

I, the undersigned Secretary of the Oneida County Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the foregoing copy of the minutes of a public hearing held by the Oneida County Industrial Development Agency (the "Issuer") on \_\_\_\_\_, 2008 at \_\_\_\_\_, local time, at \_\_\_\_\_, with the original thereof on file in the office of the Issuer, and that the same is a true and correct copy of the minutes in connection with such matter.

I FURTHER CERTIFY that (i) pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended, and Title 1 of Article 18-A of the New York General Municipal Law, said hearing was open to the general public, and public notice of the time and place of said hearing was duly given in accordance with such Section 147(f) and Title 1 of Article 18-A, (ii) the hearing in all respects was duly held, and (iii) members of the public had an opportunity to be heard.

IN WITNESS WHEREOF, I have hereunto set my hand as of \_\_\_\_\_.

\_\_\_\_\_  
Secretary