

**Final Authorizing Resolution
GLDC/BAE/GI Facility**

Date: July 17, 2009

At a meeting of the Oneida County Industrial Development Agency, Utica, New York (the "Agency"), held at 153 Brooks Road, Rome, New York on the 17th day of July 2009, the following members of the Agency were:

Members Present: Ferris Betrus
Natalie Brown
Michael Fitzgerald
David Grow
Eugene Quadraro
Michael Valentine
Steven Zogby

Staff Present: Jim Castilla
Steve DiMeo
Shawna Papale
Mary Rizzo
J. Stock

Others Present: Laura Ruberto, Bond, Schoeneck & King, PLLC
Jim Siepiola, The Fountainhead Group, Inc.
Michael Stephens, Esq., Kernan & Kernan, P.C.

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 acquisition of a leasehold interest in and financing of a certain industrial development facility more particularly described below (Griffiss Local Development Corporation/ BAE Systems National Security Solutions, Inc./ Griffiss Institute Inc. Facility) and the leasing of the facility to Griffiss Local Development Corporation.

The following resolution was duly moved, seconded, discussed and adopted with the following members voting:

Ferris Betrus voting aye;
Natalie Brown voting aye;
Michael Fitzgerald voting aye;
David Grow voting aye;
Eugene Quadraro voting aye;
Michael Valentine voting aye; and
Steven Zogby voting aye.

RESOLUTION AUTHORIZING THE AGENCY TO EXECUTE THE RELEASE AGREEMENT, LEASE AGREEMENT, BAE SUBLEASE AGREEMENT, GI SUBLEASE AGREEMENT, PILOT AGREEMENT, ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION AGREEMENT, OSB MORTGAGE, OSB ASSIGNMENT, OSB PLEDGE, EDGE MORTGAGE, EDGE ASSIGNMENT, EDGE PLEDGE, MVEDD MORTGAGE, MVEDD ASSIGNMENT, MVEDD PLEDGE, AND RELATED DOCUMENTS WITH RESPECT TO THE GRIFFISS LOCAL DEVELOPMENT CORPORATION/ BAE SYSTEMS NATIONAL SECURITY SOLUTIONS, INC./GRIFFISS INSTITUTE INC. FACILITY LOCATED AT 725 DAEDALIAN DRIVE, GRIFFISS BUSINESS AND TECHNOLOGY PARK IN THE CITY OF ROME, ONEIDA COUNTY.

WHEREAS, by 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 (collectively, the "Act"), the Agency was created with the authority and power among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, the United States of America, by and through the Secretary of the Air Force, conveyed a 20.680 ± acre parcel of real property ("Parcel F-4B") to the Agency by means of a Quitclaim Deed (the "Deed") dated August 21, 2001 and recorded in the Oneida County Clerk's Office on January 7, 2002 in Book of Deeds 3032 at Page 319; and

WHEREAS, the Agency leases Parcel F-4B to Griffiss Local Development Corporation ("GLDC") pursuant to a certain lease agreement dated as of December 1, 2001 (the "Prime Lease") between the Agency and GLDC, a memorandum of which was recorded on January 7, 2002, in the Oneida County Clerk's office in Book of Deeds 3032 at Page 337; and

WHEREAS, the Agency and GLDC are entering into a Partial Release of Lease Agreement dated as of September 1, 2009 (the "Release Agreement") whereby the Land will be released from the premises described in the Prime Lease; and

WHEREAS, GLDC desires to renovate a 44,700± square foot building known as Building 796/798 (which includes constructing a 25,000± square foot addition thereto) (collectively, the "Improvements") situated on a 4.526± acre parcel of land located at 725 Daedalian Drive, Griffiss Business and Technology Park, City of Rome, Oneida County, New York (the "Land") and acquire and install equipment in the Improvements (the "Equipment") all to be used for the coordination of redevelopment efforts for the recently realigned Griffiss Air Force Base (the Land, the Improvements and the Equipment referred to collectively as the "Facility"); and

WHEREAS, the Agency proposes to lease the Facility to GLDC pursuant to a Lease Agreement dated as of September 1, 2009 (the "Lease Agreement") by and between the Agency and GLDC; and

WHEREAS, GLDC subleases a _____± square foot portion of the Facility (the "BAE Facility") to BAE Systems National Security Solutions, Inc. ("BAE") for its operation upon

the terms and conditions set forth in a Sublease Agreement (the "BAE Sublease Agreement"), dated _____; and

WHEREAS, GLDC proposes to sublease a _____ ± square foot portion of the Facility (the "GI Facility") to Griffiss Institute, Inc. ("GI") (BAE and GI sometimes referred to herein collectively as the "Sublessees") for its operation upon the terms and conditions set forth in a Sublease Agreement (the "GI Sublease Agreement"), dated _____; and

WHEREAS, GLDC shall retain a _____ ± square foot portion of the Facility for its operation (the "GLDC Facility"); and

WHEREAS, Oneida Savings Bank, a New York savings bank with offices at 182 Main Street, Oneida, New York 13421-1676 (the "Lender") wishes to finance a portion of the cost of the Facility by making a loan to GLDC in the original principal sum of \$380,000.00, to be secured by (a) a Mortgage and Security Agreement dated September ____, 2009 (the "OSB Mortgage"), given by the Agency and GLDC to the Lender, which OSB Mortgage shall be recorded in the Oneida County Clerk's Office and (b) an Assignment of Leases and Rents dated September ____, 2009 (the "OSB Assignment"), given by the Agency to the Lender with acknowledgment by GLDC, which OSB Assignment shall be recorded in the Oneida County Clerk's Office and (c) a Pledge and Assignment dated September ____, 2009 (the "OSB Pledge"), given by the Agency to the Lender with acknowledgment by GLDC, which OSB Pledge shall be recorded in the Oneida County Clerk's Office; and

WHEREAS, Economic Development Growth Enterprises Corporation, a New York not-for-profit corporation with offices at 153 Brooks Road, Rome, New York 13441 ("EDGE") wishes to finance a portion of the cost of the Facility by making a loan to GLDC in the original principal sum of \$177,646.00, to be secured by (a) a Mortgage and Security Agreement dated September ____, 2009 (the "EDGE Mortgage"), given by the Agency and GLDC to EDGE, which EDGE Mortgage shall be recorded in the Oneida County Clerk's Office and (b) an Assignment of Leases and Rents dated September ____, 2009 (the "EDGE Assignment"), given by the Agency to EDGE with acknowledgment by GLDC, which EDGE Assignment shall be recorded in the Oneida County Clerk's Office and (c) a Pledge and Assignment dated September ____, 2009 (the "EDGE Pledge"), given by the Agency to EDGE with acknowledgment by GLDC, which EDGE Pledge shall be recorded in the Oneida County Clerk's Office; and

WHEREAS, Mohawk Valley Economic Development District, Inc., a New York not-for-profit corporation having an address for the transaction of business at 26 West Main Street, P.O. Box 69, Mohawk, New York 13407 ("MVEDD") wishes to finance a portion of the cost of the Facility by making a loan to GLDC in the original principal sum of \$200,000.00, to be secured by (a) a Mortgage and Security Agreement dated September ____, 2009 (the "MVEDD Mortgage"), given by the Agency and GLDC to MVEDD, which MVEDD Mortgage shall be recorded in the Oneida County Clerk's Office and (b) an Assignment of Leases and Rents dated September ____, 2009 (the "MVEDD Assignment"), given by the Agency to MVEDD with acknowledgment by GLDC, which MVEDD Assignment shall be recorded in the Oneida County Clerk's Office and (c) a Pledge and Assignment dated September ____, 2009 (the "MVEDD Pledge"), given by the Agency to MVEDD with acknowledgment by GLDC, which MVEDD Pledge shall be recorded in the Oneida County Clerk's Office; and

WHEREAS, the Agency by resolution duly adopted on February 20, 2009 (the "Resolution") decided to proceed under the provisions of the Act to lease the Facility and directed that a public hearing be held so that all persons with views in favor of or opposed to either the financial assistance contemplated by the Agency, or the location or nature of the Facility, could be heard; and

WHEREAS, the financial assistance to be granted by the Agency to GLDC under the Payment-In-Lieu-Of-Tax Agreement (the "PILOT Agreement") dated as of September 1, 2009 by and between the Agency and GLDC represent a deviation from the Agency's Uniform Tax Exemption Policy (the "Policy") in the following respect: the Company will pay 1/3 of taxes years 1 – 5, 2/3 of taxes years 6 – 10 and 3/4 of taxes years 11 - 15 for the BAE Facility; and the Company will pay no taxes during years 1 – 15 for the GLDC Facility and the GI Facility; and

WHEREAS, on June 15, 2009, the Agency sent written notices to each affected taxing jurisdiction setting forth its intention to deviate from its Policy and the date, time and location of the meeting during which the Agency would be considering a final authorizing resolution relating to the Facility, which notices are attached hereto as Exhibit A; and

WHEREAS, GLDC has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities which may arise in connection with the transaction contemplated by the lease of the land and the transfer of a leasehold interest in the Facility; and

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

Section 1. The Agency hereby finds and determines:

(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 Facility constitutes a "project", as such term is defined in the Act; and

(c) The construction, renovation, equipping of the Facility, the leasing of the Facility to GLDC and the financing of the Facility through the Lender, EDGE and MVEDD will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of Oneida County and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(d) The construction, renovation, equipping and financing of the Facility is reasonably necessary to induce BAE and GI to maintain and expand their respective business operations in the State of New York; and

(e) Based upon representations of GLDC and GLDC's Counsel, the Facility conforms with the local zoning laws and planning regulations of Oneida County and all regional and local land use plans for the area in which the Facility is located; and

(f) The SEQRA findings adopted by the Agency on February 20, 2009, encompassed the actions to be undertaken by this resolution and no changes have been made since that time to the proposed action that would create new or increased adverse environmental impacts; and

(g) It is desirable and in the public interest for the Agency to lease the Facility; and

(h) The Release Agreement will be an effective instrument whereby the Agency and GLDC release the Land from the Prime Lease; and

(i) the Lease Agreement will be an effective instrument whereby the Agency leases the Facility to GLDC; and

(j) the BAE Sublease Agreement will be an effective instrument whereby GLDC subleases the BAE Facility to BAE; and

(k) the GI Sublease Agreement will be an effective instrument whereby GLDC subleases the GI Facility to GI; and

(l) the PILOT Agreement dated as of September 1, 2009 by and between the Agency and GLDC, in form satisfactory to the Chairman and Agency Counsel, will be an effective instrument whereby the Agency and GLDC set forth the terms and conditions of their Agreement regarding GLDC's payments in lieu of real property taxes; and

(m) The Environmental Compliance and Indemnification Agreement (the "Environmental Compliance and Indemnification Agreement"), dated as of September 1, 2009 by and among the Agency, GLDC, the Lender, EDGE, MVEDD and the Sublessees will be an effective instrument whereby GLDC and the Sublessees agree to comply with all Environmental Laws (as defined therein) applicable to the Facility and will indemnify and hold harmless the Agency, the Lender, EDGE and MVEDD for all liability under all such Environmental Laws; and

(n) The OSB Mortgage will be an effective instrument whereby the Agency and GLDC grant to the Lender their respective interests in the Facility; and

(o) The OSB Assignment will be an effective instrument whereby the Agency and GLDC assign to the Lender their respective interests in the Facility; and

(p) The OSB Pledge will be an effective instrument whereby the Agency pledges and assigns to the Lender its interest in the Facility; and

(q) The EDGE Mortgage will be an effective instrument whereby the Agency and GLDC grant to EDGE their respective interests in the Facility; and

(r) The EDGE Assignment will be an effective instrument whereby the Agency and GLDC assign to EDGE their respective interests in the Facility; and

(s) The EDGE Pledge will be an effective instrument whereby the Agency pledges and assigns to EDGE its interest in the Facility; and

(t) The MVEDD Mortgage will be an effective instrument whereby the Agency and GLDC grant to MVEDD their respective interests in the Facility; and

(u) The MVEDD Assignment will be an effective instrument whereby the Agency and GLDC assign to MVEDD their respective interests in the Facility; and

(v) The MVEDD Pledge will be an effective instrument whereby the Agency pledges and assigns to MVEDD its interest in the Facility.

Section 2. In consequence of the foregoing, the Agency hereby determines to: (i) release the Land from the Prime Lease pursuant to the Release Agreement; (ii) execute, deliver and perform the Release Agreement; (iii) lease the Facility to GLDC pursuant to the Lease Agreement, (iv) execute, deliver and perform the Lease Agreement, (v) deviate from its Policy, (vi) execute, deliver and perform the PILOT Agreement, (vii) execute, deliver and perform the Environmental Compliance and Indemnification Agreement, (viii) execute, deliver and perform the OSB Mortgage, (ix) execute, deliver and perform the OSB Assignment, (x) execute, deliver and perform the OSB Pledge, (xi) execute, deliver and perform the EDGE Mortgage, (xii) execute, deliver and perform the EDGE Assignment, (xiii) execute, deliver and perform the EDGE Pledge, (xiv) execute, deliver and perform the MVEDD Mortgage, (xv) execute, deliver and perform the MVEDD Assignment, and (xvi) execute, deliver and perform the MVEDD Pledge.

Section 3. The Agency is hereby authorized to accept a leasehold interest in the real property described in Exhibit A to the Lease Agreement and the personal property described in Exhibit B to 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 approved, ratified and confirmed.

Section 4. The form and substance of the Release Agreement, the Lease Agreement, the PILOT Agreement, the Environmental Compliance and Indemnification Agreement, the OSB Mortgage, the OSB Assignment, the OSB Pledge, the EDGE Mortgage, the EDGE Assignment, the EDGE Pledge, the MVEDD Mortgage, the MVEDD Assignment and the MVEDD Pledge (each in substantially the forms presented to the Agency and which, prior to the execution and delivery thereof, may be redated) are hereby approved.

Section 5.

(a) The Chairman, Vice Chairman, Secretary or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Release Agreement, the Lease Agreement, the PILOT Agreement, the Environmental Compliance and Indemnification Agreement, the OSB Mortgage, the OSB Assignment, the OSB Pledge, the EDGE Mortgage, the EDGE Assignment, the EDGE Pledge, the MVEDD Mortgage, the MVEDD Assignment and the MVEDD Pledge, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, Vice Chairman, Secretary or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman and

Agency Counsel, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the "Closing Documents"). The execution thereof by the Chairman, Vice Chairman, or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, Vice Chairman, Secretary or member of the Agency are further hereby authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Third Sublease Agreement).

Section 6. 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 Closing Documents, and to execute and deliver all such additional certificates, instruments and documents, 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 Closing Documents binding upon the Agency.

Section 7. 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 annexed extract of the minutes of the meeting of the Oneida County Industrial Development Agency (the "Agency"), including the resolutions contained therein, held on the 17th day of July 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 such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

That the Release Agreement, the Lease Agreement, the PILOT Agreement, the Environmental Compliance and Indemnification Agreement, the OSB Mortgage, the OSB Assignment, the OSB Pledge, the EDGE Mortgage, the EDGE Assignment, the EDGE Pledge, the MVEDD Mortgage, the MVEDD Assignment and the MVEDD Pledge contained in this transcript of proceedings are each in substantially the form presented to the Agency and/or approved by said meeting.

I FURTHER CERTIFY that (i) all members of the Agency 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, (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 this ____ day of September 2009.

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 

Shawna M. Papale, Secretary