

**RESOLUTION AUTHORIZING PILOT DEVIATION
AND THIRD AMENDMENT TO PILOT AGREEMENT
SARANAC POWER PARTNERS, L.P.**

A regular meeting of County of Clinton Industrial Development Agency (the "Agency") was convened in public session in the offices of the Agency located at 190 Banker Road, Suite 500 in the Town of Plattsburgh, Clinton County, New York on November 4, 2013 at 12:00 o'clock p.m., local time.

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

PRESENT:

Trent Trahan	Chairman
David Hoover	Vice Chairman
Michael E. Zurlo	Secretary
John VanNatten	Treasurer and Chief Financial Officer
Kim Murray	Assistant Secretary
Keith Defayette	Member

EXCUSED:

Mark Leta	Member
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THE FOLLOWING PERSONS WERE ALSO PRESENT:

Erin M. Hynes	Executive Director
Nadene E. Zeigler, Esq.	Agency Counsel
Barbara Shute	Recording Secretary

The following resolution was offered by Michael E. Zurlo, seconded by Kim Murray, to wit:

Resolution No. 11-13-01

RESOLUTION AUTHORIZING (A) A DEVIATION FROM THE AGENCY'S UNIFORM TAX EXEMPTION POLICY AND (B) THE AMENDMENT OF AN EXISTING PILOT AGREEMENT IN CONNECTION WITH THE SARANAC POWER PARTNERS, L.P. PROJECT.

WHEREAS, County of Clinton Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of 1969 Laws 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 225 of the 1971 Laws of New York, as amended, constituting Section 895-f 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, reconstructing, improving, maintaining, equipping and furnishing of commercial 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, on or about December 29, 1992 (the "Closing Date"), the Agency entered into an installment sale agreement dated as of December 29, 1992 (the "Installment Sale Agreement") between the Agency and Saranac Power Partners, L.P. (the "Company") and other related documents for the purpose of undertaking the following project (the "Project") for the benefit of the Company: (A) (1) the acquisition of fee title to, leasehold interests in and certain easements to various parcels of real property located in the Town of Plattsburgh, Clinton County, New York (the "Land"), (2) the construction on the Land of a 240MW natural gas-fired cogeneration facility and related transmission lines and electrical energy interconnection facilities (the "Facility") and (3) the acquisition and installation of various machinery and equipment (the "Equipment") (the Land, the Facility and the Equipment hereinafter 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 sales taxes, real estate transfer taxes, mortgage recording taxes and real property taxes (the "Financial Assistance"); and (C) the sale of the Project Facility to the Company pursuant to the Installment Sale Agreement; and

WHEREAS, on or about December 29, 1992, the Agency acquired various interests in the Land pursuant to various conveyance documents executed on or about December 29, 1992 from the Company to the Agency; and

WHEREAS, simultaneously with the execution and delivery of the Installment Sale Agreement, (A) the Company and the Agency executed and delivered a payment in lieu of tax agreement dated as of December 29, 1992 (the "Original Payment in Lieu of Tax Agreement", and sometimes hereinafter referred to as the "Existing Payment in Lieu of Tax Agreement") by and among the Agency, the Company and The Development Corporation Clinton County, New York (f/k/a Clinton County Area Development Corp.), as agent (the "Pilot Mortgage Agent") for the Agency and the "Taxing Entities" (as such term is defined in the Original Payment in Lieu of Tax Agreement), pursuant to which the Company agreed to pay certain payments in lieu of taxes with respect to the Project Facility to the Clinton County Treasurer (the "Treasurer") for distribution to the appropriate Taxing Entities entitled to same pursuant to the provisions of the Existing Payment in Lieu of Tax Agreement, (B) the Agency filed with the assessor and mail to the chief executive officer of each "affected tax jurisdiction" (within the meaning of such quoted term in Section 854(16) of the Act) a copy of a New York State Board of Real Property Services Form 412-a (the form required to be filed by the Agency in order for the Agency to obtain a real property tax exemption with respect to the Project Facility under Section 412-a of the Real Property Tax Law) (the "Real Property Tax Exemption Form") relating to the Project Facility and the Existing Payment in Lieu of Tax Agreement, and (C) the Company and the Agency executed and delivered a pilot mortgage dated as of December 29, 1992 (the "Original Pilot Mortgage", and sometimes hereinafter referred to as the "Existing Pilot Mortgage") from the Agency and the Company, as mortgagor, and the Pilot Mortgage Agent, as mortgagee (the "Pilot Mortgagee"), pursuant to which the Company and the Agency agreed to grant to the Pilot Mortgagee a mortgage lien on the Project Facility as security for, among other things, the obligation of the Company to make all payments and all other obligations of the Company for the benefit of the Agency and the Taxing Entities under the Original Payment in Lieu of Tax Agreement (the

Installment Sale Agreement, the Original Payment in Lieu of Tax Agreement, the Real Property Tax Exemption Form and the Original Pilot Mortgage being sometimes collectively referred to as the "Basic Documents"); and

WHEREAS, the Original Payment in Lieu of Tax Agreement was amended by a first amendment to payment in lieu of tax agreement dated as of March 1, 2009 (the "First Amendment to Payment in Lieu of Tax Agreement"), and further amended pursuant to a second amendment to payment in lieu of tax agreement dated as of December 1, 2009 (the "Second Amendment to Payment in Lieu of Tax Agreement" and collectively with the First Amendment to the Payment in Lieu of Tax Agreement and the Original Payment in Lieu of Tax Agreement, the "Existing Payment in Lieu of Tax Agreement") by and among the Agency, the Company and The Development Corporation Clinton County, New York (f/k/a Clinton County Area Development Corp.), as agent (the "Pilot Mortgage Agent") for the Agency and the "Taxing Entities" (as such term is defined in the Original Payment in Lieu of Tax Agreement); and

WHEREAS, (A) pursuant to a request dated as of April 22, 2013 (the "Pilot Request"), the Company requested that the Agency again amend the Existing Payment in Lieu of Tax Agreement to extend the term thereof for another five years (the "Requested Pilot Deviation"), and (B) implementation of the Requested Pilot Deviation would entail the following (the "Transaction"): the execution of a proposed Third Amendment to Payment in Lieu of Tax Agreement (the "Third Amendment") in order to implement the Requested Pilot Deviation; and

WHEREAS, pursuant to the authorization contained in a resolution adopted by the members of the Agency on May 13, 2013 (the "Pilot Deviation Notice Resolution"), the Executive Director of the Agency (A) cause notice of a public hearing of the Agency (the "Public Hearing") pursuant to Section 859-a of the Act, to hear all persons interested in the Requested Pilot Deviation and the proposed Transaction, to be (i) mailed to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located (each, an "Affected Tax Jurisdiction"), (ii) published in a local newspaper and (iii) posted as required by law, (B) held the Public Hearing on October 11, 2013, (C) prepared a report of the Public Hearing (the "Report") and gave a copy of the Report to each member of the Agency, (D) gave notice of the proposed deviation from the Agency's uniform tax exemption policy in connection with the Requested Pilot Deviation (the "Pilot Deviation Notice") to the chief executive officers of the Affected Tax Jurisdictions, and (E) invited comments from said chief executive officers with respect to the Requested Pilot Deviation; 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 Pilot Deviation Notice Resolution, the Agency determined that the Transaction constitutes a "Type II action" pursuant to 6 NYCRR 617.5(c)(26), and therefor that, pursuant to 6 NYCRR 617.6(a)(1)(i), the Agency has no further responsibilities under SEQRA with respect to the Amendment; and

WHEREAS, as a result of discussions had by the Agency with the Affected Tax Jurisdictions, the Agency now desires to approve the Pilot Request, subject to the following modifications (the "Modifications"): (A) the term of the Amendment shall be limited to three years, not the original five years requested by the Company, (B) the Third Amendment shall require that the Company annually furnish to the Agency financial information conforming to the reporting standards as described in the State of New York Public Service Commission order effective January 23, 2013 entitled "Order Adopting Annual Reporting Requirements under Lightened Ratemaking Regulation" (the "Annual Report"), each said Annual Report to be accompanied by an affidavit signed by an officer of the Company, and (C) if requested, a

representative of the Company shall appear before the members of the Agency to answer questions regarding the Annual Report and/or the Project Facility; and

WHEREAS, the Agency also desires to authorize execution and delivery of a Third Amendment incorporating the Modifications;

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

Section 1. The Agency hereby finds and determines as follows:

(A) The Agency has considered any and all responses from the Affected Tax Jurisdictions to the Pilot Deviation Notice.

(B) The Agency has reviewed and responded to any written comments received from any Affected Tax Jurisdiction with respect to the proposed Transaction.

(C) The Agency has given reviewed the comments received from the Affected Tax Jurisdictions with respect to the proposed Transaction, and proposes to implement the Modifications in response to said comments.

Section 2. Based on the findings and determinations in Section 1 above, the Agency hereby determines to deviate from the Agency's uniform tax exemption policy with respect to the terms of the proposed Third Amendment, said Third Amendment to contain the terms requested in the Pilot Request, as modified by the Modifications.

Section 3. Upon preparation by counsel to the Agency of a Third Amendment reflecting the terms of this resolution (the Third Amendment as so modified being hereinafter referred to as the "Third Pilot Amendment") and approval of same by the Chairman (or Vice Chairman) of the Agency, the Chairman (or Vice Chairman) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Third Pilot Amendment, 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 such form as is approved by the Chairman (or Vice Chairman), the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval..

Section 4. 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 Third Pilot Amendment, 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 Third Pilot Amendment binding upon the Agency.

Section 5. 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:

Trent Trahan	VOTING	YES
David Hoover	VOTING	YES
Michael E. Zurlo	VOTING	YES
John VanNatten	VOTING	YES
Kim Murray	VOTING	YES
Keith Defayette	VOTING	YES
Mark Leta	VOTING	EXCUSED

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) SS:
COUNTY OF CLINTON)

I, the undersigned Secretary of County of Clinton 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 November 4, 2013 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of the whole of such proceedings of the Agency and of such Resolution set forth therein so far as the same relates 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 respects 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 duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout 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 4th day of November, 2013.


Michael E. Zurlo