

A special meeting of the Town of Lockport Industrial Development Agency was convened in public session on **June 30, 2009, at 3:25 o'clock p.m.**, at 6560 Dysinger Road, Lockport, New York.

The foregoing meeting was called to order by the Acting Chairman, Paul Haber, and upon the roll being duly called, the following members were:

PRESENT:

Paul Haber, Acting Chairman
Thomas A. Sy
Duncan N. Carlson
Patricia Dufour
Robert Lipp

ABSENT: Alan M. Hamilton, Chairman
Thomas Weeks

The following persons were **ALSO PRESENT:**

Daniel E. Seaman, Board Attorney, Assistant Secretary
David Kinyon, Administrative Director

The following Resolution was offered by Thomas Sy, seconded by Duncan N. Carlson.

RESOLUTION OF THE TOWN OF LOCKPORT INDUSTRIAL DEVELOPMENT AGENCY (THE AGENCY) AUTHORIZING YAHOO! INC. (THE LESSEE) TO ACQUIRE A PREMISES CONSISTING OF APPROXIMATELY THIRTY ACRES IN THE TOWN OF LOCKPORT INDUSTRIAL PARK BOUNDED WEST BY JUNCTION ROAD, SOUTH BY ENTERPRISE DRIVE AND EAST BY CROWN DRIVE, TOWN OF LOCKPORT NEW YORK, AND TO UTILIZE SAID PREMISES FOR THE CONSTRUCTION OF BUILDINGS CONSISTING OF APPROXIMATELY 190,000 SQUARE FEET CONSISTING OF A DATA STORAGE CENTER AND ADMINISTRATIVE BUILDINGS, AND NECESSARY APPURTENANT STRUCTURES, ACQUIRING, PURCHASING AND INSTALLING OF MACHINERY AND EQUIPMENT REQUIRED IN CONNECTION THEREWITH, AND FOR THE MODIFICATION OF THE PREMISES AS NEEDED FOR THAT PURPOSE, AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT, OR IN THE ALTERNATIVE, A LEASE TO AGENCY AND A LEASE AGREEMENT, A MORTGAGE, IF REQUIRED AND THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH.

WHEREAS, Yahoo! Inc. (the Lessee) has entered into negotiations with the Town of Lockport Industrial Development Agency (the Agency) for the acquisition and equipment by the Agency through a lease only or a lease with mortgage and note transaction or comparable structure of a data center facility consisting of the acquisition of a premises consisting of

approximately thirty acres in the Town of Lockport Industrial Park bounded west by Junction Road, south by Enterprise Drive and east by Crown Drive, Town of Lockport, New York currently owned by the Agency, and to utilize said premises for the construction of buildings consisting of approximately 190,000 square feet consisting of a data storage center and administrative buildings, and necessary appurtenant structures, and the acquisition and installation of machinery and equipment in connection therewith and the modification of said premises as needed for said purpose (the "Project") and the lease of the Project to the Lessee or in the alternative the lease of the Project from the Lessee to the Agency and the leaseback of the Project to the Lessee; and

WHEREAS, the Lessee has submitted an Eligibility Questionnaire and other materials and information to the Agency (collectively hereinafter the "Eligibility Questionnaire") to initiate the accomplishment of the above; and

WHEREAS, the Eligibility Questionnaire sets forth certain information with respect to the Lessee, including the following: the Lessee desires Agency financing to purchase the Project for a data storage center and administrative buildings and related purposes with resultant increase in employment in the Town of Lockport; the Lessee will employ approximately 75 full-time employees after the Project is fully completed; that but for the availability of financing and/or other assistance by the Agency, the Lessee and any Sublessee would not locate the Project within the Town of Lockport, there will be no substantial adverse disruption of existing employment at facilities of a similar nature in the Town of Lockport, and the Project will provide substantial increased employment and substantial capital investment; if Agency financing or other assistance is disapproved, the Lessee and the Sublessee would likely not proceed with the Project; and that, therefore, Agency financing or other assistance is necessary to encourage the Lessee and the sublessee to proceed with the Project in the Town of Lockport; and

WHEREAS, the Agency has held a public hearing on the Project pursuant to Section 859-A of the General Municipal Law; and

WHEREAS, the Agency desires to further encourage the Lessee with respect to the acquisition of the Project, if by so doing it is able to induce the Lessee, to proceed with the Project in the Town of Lockport; and

WHEREAS, the Agency has determined that the project be limited to the parcel depicted and known as 30 acres +/- of land located in the Town of Lockport bounded west by Junction Road, south by Enterprise Drive and east by Crown Drive; and

WHEREAS, to finance the project the Agency intends to, if requested, execute and deliver a mortgage to allow for the acquisition as aforesaid and to grant exemption from mortgage

tax, sales and use taxes and provide real property tax exemption in accordance with Agency policies in connection with the Project,

NOW, THEREFORE BE IT RESOLVED BY THE TOWN OF LOCKPORT INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Agency hereby determines that the acquisition and installation of the Project and the financing or other assistance thereof by the Agency pursuant to the New York State Industrial Development Agency Act will promote and is authorized by and will be in furtherance of the policy of the State as set forth in said Act. The Agency further hereby determines, on the basis of the Eligibility Questionnaire and supplemental information furnished by the Lessee as follows: (a) it would not have assisted the Project except to induce the location of the Project in the area to be served by the Project as there is a demonstrable need for the Project and the services it offers; (b) but for the availability of Agency assistance for the Project in such area, the Project would not be economically feasible; (c) there will be no substantial adverse disruption of existing employment or facilities of a similar nature to the Project in such area; and (d) the Project will provide substantial employment and substantial capital investment. The Agency further determines, on the basis of the Lessee's Eligibility Questionnaire that (e) the Project as represented is reasonably necessary to provide the purposes of the Act, and (f) the Project is an integral part of the Lessee's plan to proceed with the Project in the Town of Lockport.

Section 2. The Agency hereby authorizes the Lessee to proceed with the Project and to receive New York State and local sales and use tax exemption and real property tax exemption on all property being acquired as part of the Project as herein authorized and mortgage tax exemption, if applicable, which Project will be constructed by the Lessee using its own funds or in the alternative financed through a mortgage financing with a mortgage in the principal amount not to exceed \$150,000,000 with the mortgage to be from the Agency and the Lessee or its successor to a bank to be designated by the Lessee and confirmed by an officer of the Agency, which bank, its agents or assigns are referred to as (the "Lender") UCC-1 Financing Statements to the Lender and a Lease Agreement between the Agency and the Lessee or in the alternative a Lease to Agency and a Lease Agreement between the Lessee and the Agency each in substantially the same form approved by the Agency for prior transactions or in form approved by the Chairman, Treasurer, Administrative Director or Secretary and any member or officer of the Agency are hereby authorized to execute, acknowledge and deliver each such instrument and the Chairman, Treasurer, Administrative Director, Secretary and any member or officer of the Agency are hereby authorized to affix the seal of the Agency on each such instrument, as applicable, and attest the same. All other provisions of the Resolution relating to the mortgage financing

and the Lease Agreement or the Lease to Agency and Lease Agreement, shall apply to such Instruments.

All covenants, stipulations, obligations and agreements of the Agency contained in this resolution and contained in mortgage financing, UCC-1 Financing Statements, the Lease Agreement or the Lease to Agency and Lease Agreement shall be deemed to be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Agency or the members thereof by the provisions of this Resolution, the mortgage financing, the UCC-1 Financing Statements and the Lease Agreement or the Lease to Agency and the Lease Agreement, as the case may be, shall be exercised or performed by the Agency or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

No covenants, stipulation, obligation or agreement herein contained or contained in the mortgage financing, the UCC-1 Financing Statements and the Lease Agreement or the Lease to Agency and the Lease Agreement or any other agreement or instrument executed and delivered by the Agency in furtherance of this resolution shall be deemed to be a covenant, stipulation, obligation or agreement of any member, officer, agency or employee of the Agency in his individual capacity and neither the members of the Agency or any officer executing the mortgage financing, the UCC-1 Financing Statements, the Lease Agreement or the Lease to Agency and the Lease Agreement shall be liable personally thereon or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

The Chairman, Treasurer, Administrative Director, Secretary and any member or officer of the Agency are hereby designated the authorized representatives of the Agency and each of them is hereby authorized and directed to execute and deliver any and all agreements, papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution, the execution and delivery of the mortgage financing, the UCC-1 Financing Statements and the Lease Agreement or the Lease to Agency and the Lease Agreement.

Section 3. The Agency will undertake, as soon as it is furnished with sufficient information as to the particular details of a mortgage financing, use its best efforts to proceed, subject to agreement among the Agency, the Lessee and the Lender as to terms in all agreements to be entered in to with respect to the Project, with the issuance of the mortgage financing to

finance the Project in an amount not to exceed \$150,000,000.00 and to enter into a Lease Agreement or a Lease to Agency and Lease Agreement in connection with the mortgage financing or if mortgage financing is not required enter into a Lease Agreement or Lease to Agency and Lease Agreement in connection with a lease only transaction.

Section 4. The Chairman, Administrative Director, Treasurer of the Agency and other appropriate officials or Board Members of the Agency and its agents and employees are hereby authorized and directed to take whatever steps may be necessary to cooperate with the Lessee to assist in the acquisition of the Project.

Section 5. The Lessee is authorized to initial acquisition of the land located in the Town of Lockport Industrial Park, Lockport, New York, the construction of buildings thereon, and acquisition and installation of machinery and equipment, furnishings and fixtures required in connection therewith and to advance such funds as may be necessary to accomplish such purposes, subject to reimbursement for all qualifying expenditures out of the proceeds of a mortgage with note, if applicable. The Agency is hereby authorized to enter into such agreements with the Lessee as the Chairman, or Administrative Director may deem necessary in order to accomplish the above.

Section 6. Any such action heretofore taken by the Lessee in initiating the acquisition and construction of the Project is hereby ratified, confirmed and approved.

Section 7. Any expenses incurred by the Agency with respect to the Project shall be paid by the Lessee. By acceptance hereof, the Lessee agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, officers, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Project and the financing thereof.

Section 8. This resolution is subject to Agency approval of payment in lieu of taxes agreement (PILOT Agreement) for municipal services in connection with the real property tax exemption granted hereunder. Should the Lessee or any of its subtenants vacate the premises prior to the expiration of the arrangement for payment in lieu of taxes, the Lessee shall use its best efforts to obtain new subtenants, so that no application will be necessary for reduction in assessed value, it being the intent of the Agency that payments in lieu of taxes will be maintained at the level called for by its standard policy, or in the alternative, at a level established by deviation from its standard policy, at all times while it holds title to or leasehold interest in the Project.

Section 9. The provisions of this resolution shall continue to be effective until one year from the date hereof whereupon this resolution shall continue to be effective (except with respect to matters contained in Section 7 hereof) unless prior to the expiration of such period (a) the Agency shall by subsequent resolution extend the effective date of this resolution or (b) the Agency shall adopt a resolution authorizing the issuance of the Agency's bonds or notes to finance the costs of the Project as herein authorized or enters into a lease only transaction or (c) the Lessee shall continue to take affirmative steps to secure financing for the Project, or (d) the Lessee shall commence construction of the Project without financing.

Section 10. This resolution is also subject to (a) acquisition and/or leasing of land located in the Town of Lockport Industrial Park, Lockport, New York, limited to the parcel herein described by the Applicant and (b) approval by the Agency of the Lease and Sublease including any information that the Agency deems necessary to verify compliance with the New York State Industrial Development Agency Act and (c) provision in any Sublease for use of the Project only for those purposes specified above or otherwise permitted by the New York State Industrial Development Agency Act and approved by the Agency.

Section 11. The execution and delivery of a Lease Agreement or a Lease to Agency and a Lease Agreement between the Agency and the Lessee, being substantially in the form approved by the Agency for prior transactions or in form approved by the Chairman, Administrative Director or any member of the Board of Directors is hereby authorized. The appropriate officers of the Agency are hereby authorized to execute, seal, acknowledge and deliver such agreement and any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this resolution. The execution and deliver of each such instrument shall be conclusive evidence of due authorization and approval.

Section 12. The Agency hereby determines, based upon information furnished to the Agency by the Lessee and such other information as the Agency has deemed necessary to make this determination, that the Project does not require the preparation of an environmental impact statement under the State Environmental Quality Review Act, being Article 8 of the New York State Environmental Conservation Law, as the contemplated actions will not have a significant adverse effect on the environment, and, by separate Supplemental Findings Statement, the Agency has determined that no further action is required pursuant to SEQRA.

Section 13. The Agency has made and makes no representation or warranty whatsoever, either express or implied, with respect to the merchantability, condition, environmental status, fitness, design, operation or workmanship of any part of the Project, its fitness for any particular purpose, the quality or capacity of

the materials in the Project, or the suitability of the Project for the Lessee's purposes or needs or the extent to which proceeds derived from the sale of notes, if applicable, will be sufficient to pay the cost of the acquisition, renovation and installation of the Project. The Lessee is satisfied that the Project is suitable and fit for lessee's purposes. The Agency shall not be liable in any manner whatsoever to anyone for any loss, damage or expense of any kind or nature caused, directly or indirectly, by the Project property or the use or maintenance thereof or the failure of operation thereof, or the repair, service or adjustment thereof, or by any delay or failure to provide any such maintenance, repairs, service or adjustment, or by any interruption of service or loss of use thereof or for any loss of business howsoever caused and the Lessee hereby indemnifies and holds the Agency harmless from any such loss, damage or expense.

Section 14. This resolution is subject to compliance with all local building and zoning requirements.

Section 15. This resolution shall take effect immediately.

PATRICIA DUFOUR, voting AYE

THOMAS A. SY, voting AYE

ROBERT LIPP, voting AYE

DUNCAN N. CARLSON, voting AYE

The Resolution was thereupon declared duly adopted by roll call vote.

State of New York

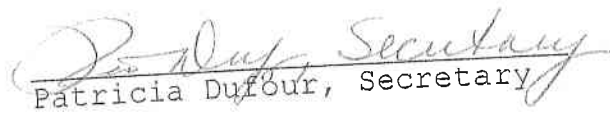
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County of Niagara

I, the undersigned Secretary of the Town of Lockport Industrial Development Agency, DO HEREBY CERTIFY that (i) I have compared the annexed extract of the minutes of the meeting of the Town of Lockport Industrial Development Agency (the "Issuer") held on June 30, 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 Issuer and of the whole of such original insofar as the same relates to the subject matters referred to herein.

I, FURTHER CERTIFY that (i) all members of the Issuer had due notice of such meeting, (ii) pursuant to Section 99 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 99, (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 Issuer this 28th day of July 2009.


Patricia Dufour, Secretary