

**NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Article 18-A of the New York General Municipal Law will be held by the Niagara County Industrial Development Agency (the "Agency") on the 22nd day of May, 2012, at 4:00 p.m., local time, at the Somerset Town Hall, 8700 Haight Road, Barker, New York 14012, in connection with the following matter:

**AES EASTERN ENERGY, L.P. and SOMERSET CAYUGA HOLDING CO., INC.**, for itself or on behalf of an entity formed or to be formed (collectively, the "Company"), have requested the Agency's assistance with (i) the approval of transfer of AES' interest in and to the existing facility located at 7725 Lake Road in the Town of Somerset, Niagara County, New York (the "Facility") to Somerset Cayuga Holding Co., Inc. or its designee, (ii) the amendment of the PILOT Agreement to reflect a reduction of the PILOT payments, (iii) the modification of the existing Security Payment Schedule, (iv) the amendment and restatement of the Lease Agreement and Leaseback Agreement to reflect the current state of title to the Land and the Improvements after the application of the order of the Bankruptcy Court, and (v) a mortgage tax exemption for the secured financing to be obtained by the Company following the transfer of title to the Company including the assignment of AES' position under the newly amended Lease Agreement and Leaseback Agreement. The Agency has previously provided financial assistance (the "Financial Assistance") to the Company for qualifying portions of the Project, consisting of partial real property tax abatement in the form of a certain payment-in-lieu-of-tax agreement (the "Existing PILOT").

Pursuant to the Company's request to modify the terms of the existing PILOT, the Agency will consider acquiring or retaining title to, or a leasehold interest in, the Facility and lease the Facility back to the Company. The Company will operate the Facility during the term of the lease. At the end of the lease term, the Company will purchase the Facility from the Agency, or if the Agency holds a leasehold interest, the leasehold interest will be terminated. The Agency contemplates that it will provide financial assistance (the "Financial Assistance") to the Company for qualifying portions of the Project, consisting of a modification of the Existing PILOT between the Agency and the Company.

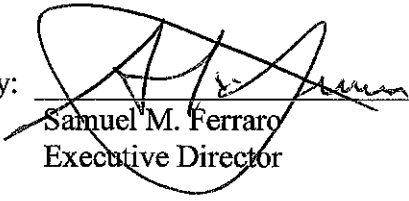
A representative of the Agency will be at the above-stated time and place to present a copy of the Company's amended application and hear and accept written and oral comments from all persons with views in favor of or opposed to or otherwise relevant to the proposed changes to the Existing PILOT.

This public hearing is being conducted in accordance with Subdivision 2 of Section 859-a of the New York General Municipal Law.

DATED: April 18, 2012

**NIAGARA COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY**

By: \_\_\_\_\_

  
Samuel M. Ferraro  
Executive Director