

**NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that a public hearing will be held by the Niagara County Industrial Development Agency (the "Issuer") on the 11th day of August, 2008 at 4:00 p.m., local time, at the Niagara Falls City Hall, 745 Main Street, Niagara Falls, New York 14302, in connection with the following matter:

ASHLAND ADVANCED MATERIALS, LLC, having offices at 6200 Niagara Falls Boulevard, Niagara Falls, New York, its wholly-owned subsidiary Graphite Mine Holdings, LLC, or any other designated controlled affiliate of Ashland Advanced Materials, LLC (collectively the "Company") has presented an application (the "Application") to the Agency, a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") for the benefit of the Company consisting of: (A) the acquisition or retention by the Issuer of title to or a leasehold or other interest in two parcels of land containing an aggregate approximately 15-acres and known as 6100 and 6200 Niagara Falls Boulevard, Niagara County, New York (the "Land"), together with the existing approximately 49,000 square foot office building and the existing approximately 50,000 square foot manufacturing building, respectively located thereon (collectively, the "Existing Improvements"); (B) the renovation of the Existing Improvements (the "Improvements"); (C) the acquisition of and installation in and around the Improvements of certain equipment and items of personal property including, but not limited to, manufacturing equipment (the "Equipment" and, collectively with the Land, the Existing Improvements and the Improvements, the "Facility"); (D) paying certain costs associated with the issuance of the Bonds (as defined below) (the costs associated with items (A) through (D) above hereinafter referred to as the "Project Costs"); (E) the financing of all or a portion of the costs of the foregoing through the issuance by the Issuer of its industrial development revenue bonds, in one or more issues or series in a maximum aggregate principal amount not to exceed \$10,000,000 (the "Bonds"); and (F) the sale or lease of the Facility financed with the Bonds to the Company or such other person as may be designated by the Company and agreed upon by the Issuer.

The Issuer is considering whether to undertake the Project and provide financial assistance (the "Financial Assistance") to the Company with respect to the Project in the form of (A) the financing of the Project and certain necessary and incidental expenditures in connection therewith through the issuance by the Issuer of the Bonds in an aggregate principal amount not to exceed \$10,000,000 or, alternatively, through a straight lease transaction within the meaning of Section 854(15) of the General Municipal Law, pursuant to which the Issuer will take and hold title to or a leasehold or other interest in the Facility for a period of time and sublease or sell such interest in the Facility back to the Company; (B) an exemption from all New York State and local sales and use taxes with respect to the qualifying personal property included in or incorporated into the Facility or used in the acquisition, renovation or equipping of the Facility; (C) if necessary, the granting of one or more mortgage liens on the Issuer's interest in the Facility (the "Mortgages") to secure the Bonds and/or any other indebtedness incurred by or for the benefit of the Company in connection with the Project, which Mortgages would be exempt from all mortgage recording taxes imposed in the State of New York; and (D) the retention of fee title to or leasehold or other interest in the Facility by the Issuer for a period of time so as to enable the Company and the Issuer to enter into one or more agreements regarding payments in lieu of real property taxes (the "PILOT Agreement"), pursuant to which the Company shall make payments in lieu of real property taxes for the benefit of the affected tax jurisdictions (subject to compliance with the Issuer's policies with respect to PILOT Agreements).

If the Financial Assistance is approved by the Issuer, (i) title to or other interest in the Facility will be acquired by the Issuer and will be subleased (with an option to purchase) or sold by the Issuer to the Company pursuant to a lease agreement or installment sale agreement (the "Agreement"), which Agreement will require, if the Issuer issues the Bonds, that the Company or its designee make payments equal to debt service payments on the Bonds and make certain other payments, and (ii) the Bonds, if issued, will be special obligations of the Issuer payable solely from certain proceeds of the Agreement and certain other assets of the Issuer pledged to the repayment of the Bonds, and it is intended that interest on such Bonds will be excluded from gross income for Federal income tax purposes, pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"), if such Bonds qualify for such exemption under the Code. **THE BONDS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR NIAGARA COUNTY, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR NIAGARA COUNTY, NEW YORK, SHALL BE LIABLE THEREON.**

The Issuer will at said time and place provide a reasonable opportunity to all interested persons to present their views, either orally or in writing, on the nature and location of the proposed Facility and the proposed Financial Assistance to be provided the Company in connection with the Project.

This public hearing is being conducted in accordance with Section 147(f) of the Code and subdivision 2 of Section 859-a of the New York General Municipal Law.

DATED: July 7, 2008

**NIAGARA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Samuel M. Ferraro
Executive Director