

PROJECT AUTHORIZING RESOLUTION
(Lyons Logistics, LLC Project)

A special meeting of the Wayne County Industrial Development Agency was convened on June 3, 2011 at 1:00 p.m.

The following resolution was duly offered and seconded, to wit:

Resolution No. 06/2011 - ____

RESOLUTION OF THE WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") (i) AUTHORIZING THE UNDERTAKING OF A CERTAIN PROJECT (AS MORE PARTICULARLY DESCRIBED HEREIN) BY AND FOR THE BENEFIT OF LYONS LOGISTICS, LLC (THE "COMPANY") AS AGENT OF THE AGENCY; (ii) ACCEPTING THE MINUTES OF A PUBLIC HEARING HELD BY THE AGENCY IN CONNECTION WITH THE PROJECT; (iii) AUTHORIZING A CERTAIN CONTEMPLATED DEVIATION FROM THE AGENCY'S UNIFORM TAX EXEMPTION POLICY (AS MORE FULLY DESCRIBED HEREIN); (iv) AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, PAYMENT-IN-LIEU-OF-TAX AGREEMENT RELATING TO THE PROJECT; (v) APPROVING THE PROVISION OF FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, DEMOLITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, (B) A PARTIAL REAL PROPERTY TAX ABATEMENT THROUGH A PAYMENT-IN-LIEU-OF-TAX AGREEMENT, AND (C) MORTGAGE RECORDING TAX EXEMPTION(S) FOR THE FINANCING OR REFINANCING RELATED TO THE PROJECT; (vi) ADOPTING A NEGATIVE DECLARATION WITH RESPECT TO THE PROJECT PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT; AND (vii) AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 916 of the Laws of 1969 of the State of New York, (hereinafter collectively called the "Act"), the **WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (hereinafter called the "Agency") was created with the authority and power to promote, develop, encourage and assist in acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial, civic, research, and recreational facilities as authorized by the Act, and in connection therewith to issue its revenue bonds, and/or enter into straight lease transactions and provide other forms of financial assistance; and

WHEREAS, **LYONS LOGISTICS, LLC** (the "Company") previously submitted an application (the "Application"), a copy of which is on file with the Agency, requesting the Agency's assistance with respect to a certain project (the "Project") consisting of: (i) the acquisition by the Agency of fee title to, or a leasehold interest in, an approximately 19.75 acre parcel of land located 100 Dunn Road in the Village and Town of Lyons, Wayne County, New

York (the "Land", being more particularly described as TMID No. 071.111-0018-355.133) and the existing improvements thereon consisting of an approximately 131,610 square-foot vacant manufacturing facility (the "Existing Improvements"), (ii) the renovation, rehabilitation, upgrading and retro-fitting of the Existing Improvements for use by the Company for manufacturing space (the "Improvements"), and (iii) the acquisition of and installation in and around the Existing Improvements of certain machinery and related equipment and other items of tangible personal property (the "Equipment" and, collectively with the Land, the Existing Improvements, and the Improvements, the "Facility"); and

WHEREAS, by resolution adopted April 22, 2011 (the "Initial Project Resolution"), the Agency (i) accepted the Application submitted by the Company in connection with the Project, (ii) described the forms of financial assistance the Agency contemplates providing to the Company, including (a) a sales and use tax exemption for purchases and rentals related to the acquisition, demolition, construction and equipping of the Project, (b) a partial real property tax abatement through the PILOT Agreement, and (c) a mortgage recording tax exemption(s) for the financing related to the Project (collectively, the "Financial Assistance"); and (iii) authorized the scheduling, notice and conduct of a public hearing pursuant to and in accordance with the Act (the "Public Hearing"); and

WHEREAS, pursuant to General Municipal Law Section 859-a, on June 3, 2011 at 9:30 a.m. local time, at the offices of Wayne County Industrial Development Agency, 16 William Street, Lyons, New York 14489, the Agency held a public hearing with respect to the Project and the proposed financial assistance (the "Financial Assistance") being contemplated by the Agency (the "Public Hearing") whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views (a copy of the Minutes of the Public Hearing along with the Notice of Public Hearing published and forwarded to the affected taxing jurisdictions thirty (30) days prior to said Public Hearing are attached hereto as **Exhibit A**); and

WHEREAS, the Company has submitted to the Agency a Short Environmental Assessment Form (the "EAF") in compliance with Article 8 of the Environmental Conservation Law and Regulations adopted pursuant thereto by the Department of Environmental Conservation of the State (collectively, "SEQR") with respect to the Project, a copy of which is attached hereto as **Exhibit B**; and

WHEREAS, it is contemplated that the Agency will (i) designate the Company as its agent for the purpose of acquiring, renovating, rehabilitating, upgrading and retro-fitting the Land and Existing Improvements, along with the equipping of the Facility, (ii) enter into a lease agreement (the "Lease Agreement"), leaseback agreement (the "Leaseback Agreement"), payment-in-lieu-of-tax agreement (the "PILOT Agreement") and related documents in furtherance of acquiring a leasehold interest in the Land, the Improvements, Equipment and personal property constituting the Project, and lease same back to the Company in furtherance of the Act; and

WHEREAS, the contemplated Financial Assistance to be provided to the Company under the PILOT Agreement deviates from the Agency's Uniform Tax Exemption Policy, and in accordance with the Act, deviation notice letters (the "Notice Letter") detailing the proposed deviation (the "Deviation") were transmitted by the Agency to the chief executive officers of each affected tax jurisdiction on or about May 3, 2011 (a copy of the Notice Letter is attached hereto as **Exhibit C**); and

WHEREAS, the Agency, having (i) provided response to comments from the affected tax jurisdictions relative to the Deviation; and (ii) allowed any representative of the affected tax jurisdictions to address the Agency with respect to the Deviation, desires to proceed with the Project and the provision of the Financial Assistance.

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

Section 1. The Company has presented an Application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company's Application, the Agency hereby finds and determines that:

(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) It is desirable and in the public interest for the Agency to (i) acquire a leasehold interest in the Land, the Existing Improvements, the Improvements and the Equipment constituting the Facility pursuant to the Lease Agreement, (ii) lease the Agency's interest in the Land, the Existing Improvements, the Improvements and the Equipment constituting the Facility to the Company pursuant to the Leaseback Agreement, and (iii) enter into a Straight Lease Transaction pursuant to the Act with the Company; and

(C) The Agency has the authority to take the actions contemplated herein under the Act; and

(D) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing employment opportunities in Wayne County, New York, and otherwise furthering the purposes of the Agency as set forth in the Act; and

(E) Although the Project will result in the abandonment of one or more plants or facilities of the Company located within the State, the Agency hereby finds that, based on the Company's Application, the Project is reasonably necessary to discourage the Company from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Company in its industry.

(F) The Project involves an "unlisted action" (as such quoted term is defined under SEQR). The review is "uncoordinated" (as such quoted term is defined under SEQR). Based upon the review by the Agency of the EAF and related documents delivered by the Company to the Agency and other representations made by the Company to the Agency in connection with the Project, the Agency hereby finds that (i) the Project will result in no major impacts and, therefore, is one which may not cause significant damage to the environment; (ii) the Project will not have a "significant effect on the environment" (as such quoted term is defined under SEQR); and (iii) no "environmental impact statement" (as such quoted term is defined under SEQR) need be prepared for this action. This determination constitutes a "negative declaration" (as such quoted terms are defined under SEQR) for purposes of SEQR. The Agency's findings are incorporated in Part II of the EAF.

Section 2. The Agency hereby accepts the verbal summary report of comments and questions received by the Agency at the Public Hearing. Further, the Agency has given due consideration and responded to the written comments previously received and presented at this meeting in connection with the proposed Deviation, and for the reasons set forth in the Notice Letter and discussed before this meeting, the Agency hereby authorizes the undertaking of the Deviation as discussed before this meeting and the provision of the Financial Assistance to the Company.

Section 3. Subject to the Company executing the Leaseback Agreement and the delivery to the Agency of a binder, certificate or other evidence of liability insurance policy for the Project satisfactory to the Agency, the Agency hereby authorizes the Company to proceed with the acquisition, construction and equipping of the Project and hereby appoints the Company as the true and lawful agent of the Agency: (i) to acquire, renovate, construct and equip the Project; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency could do if acting in its own behalf; provided, however, the Agent Agreement shall expire on December 31, 2011 (unless extended for good cause by the Executive Director of the Agency).

Section 4. The Chairman, Vice Chairman, the Executive Director and/or the Deputy Executive Director of the Agency are hereby authorized, on behalf of the Agency to execute and deliver: (A) the Lease Agreement whereby the Company leases the Project to the Agency, (B) the related Leaseback Agreement conveying the Project back to the Company, (C) the PILOT Agreement, and (D) related documents associated with the Straight Lease Transaction (and collectively, the "Straight Lease Documents"); provided (i) the rental payments under the Leaseback Agreement include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project.

Section 5. The Chairman, Vice Chairman the Executive Director and/or the Deputy Executive Director of the Agency are hereby authorized, on behalf of the Agency to execute and deliver any mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents by any lender identified by the Company (the "Lender") to undertake the Project and/or finance equipment and other personal property and related transactional costs (hereinafter, with the Straight Lease Documents, the "Agency Documents"), provided in all events recourse against the Agency is limited to the Agency's interest in the Project.

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 and to execute and deliver all such 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 resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 7. These Resolutions shall take effect immediately upon adoption.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

	<i>Yea</i>	<i>Nay</i>	<i>Absent</i>	<i>Abstain</i>
David Spickerman, Sr.	XX			
James Hoffman	XX			
Willard Milliman	XX			
Marvin E. Decker	XX			
Robert Havrilla			XX	