

PROJECT INDUCEMENT RESOLUTION
(Northern Development, LLC – Wind Turbine Project)

A special meeting of Wayne County Industrial Development Agency was convened on December 6, 2011 at 9:30 a.m.

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

Resolution No. 2011 - _____

RESOLUTION OF THE WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (i) ACCEPTING THE APPLICATION OF NORTHERN DEVELOPMENT, LLC (THE “COMPANY”) IN CONNECTION WITH A CERTAIN PROJECT (AS MORE FULLY DESCRIBED BELOW); (ii) AUTHORIZING THE SCHEDULING AND CONDUCT OF A PUBLIC HEARING IN CONNECTION WITH THE PROJECT; (iii) AUTHORIZING THE COMPANY TO UNDERTAKE THE PROJECT AND APPOINTING THE COMPANY AS AGENT OF THE AGENCY IN FURTHERANCE OF SAME; (iv) AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT RELATING TO THE PROJECT; (v) AUTHORIZING THE NEGOTIATION OF A PAYMENT-IN-LIEU-OF-TAX AGREEMENT; (vi) AUTHORIZING THE PROVISION OF FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF A SALES TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT; (vii) ADOPTING FINDINGS PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT (“SEQRA”); AND (viii) AUTHORIZING THE EXECUTION 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, as amended (hereinafter collectively called the “Act”), the **WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (the “Agency”) was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, **NORTHERN DEVELOPMENT, LLC** (the “Company”) has requested the Agency’s assistance with a certain project (the “Project”) consisting of (i) the lease by Agency of an approximately 5 acres of land located NYS Route 104, Town of Ontario, New York (the “Land”, being a portion of a certain 10.09 acre parcel of Agency-owned land more particularly identified as TMID No. 061.117-0000-341.669) pursuant to a certain Lease Agreement (the “Lease Agreement”), (ii) the planning, design, construction and operation on the Land of a wind energy production facility, including an approximately .85MW wind turbine, with related tower, foundation and electrical interconnect improvements (collectively, the “Improvements”), and (iii) the acquisition of and installation in and around the Improvements of

certain machinery and related equipment and other items of tangible personal property (the "Equipment" and, collectively with the Land, and the Improvements, the "Facility"); and

WHEREAS, pursuant to Article 18-A of the Act, the Agency desires to adopt a resolution describing the Project and the financial assistance that the Agency is contemplating with respect to the Project; and

WHEREAS, it is contemplated that the Agency will (i) authorize the disposition of a leasehold interest in the Land to the Company pursuant to the Lease Agreement in furtherance of the Project (the "Disposition"); (ii) appoint the Company as agent of the Agency to undertake the Project; and (iii) provide financial assistance to the Company in the form of (a) a sales and use tax exemption for purchases and rentals related to the acquisition, construction and equipping of the Project, and (b) a partial real property tax abatement through the PILOT Agreement (collectively, the "Financial Assistance"); and

WHEREAS, in furtherance of the Disposition, and in accordance with applicable provisions of the Public Authorities Law ("PAL"), the Agency issued a Notice of Disposition to required recipients pursuant to PAL Section 2897(6)(d), dated September 6, 2011, whereby the Agency may undertake the Disposition on or after the date hereof, such Disposition being exempted from publicly advertising for bids pursuant to PAL Section 2897(6)(c)(v) and obtaining fair market value pursuant to PAL Section 2897(7)(ii); and

WHEREAS, pursuant to and in accordance with Section 859-a of the Act, the Agency desires to schedule and conduct a public hearing relating to the project and the proposed Financial Assistance contemplated by the Agency; and

WHEREAS, the Planning Board of the Town of Ontario previously reviewed the proposed Project pursuant to the State Environmental Quality Review Act, as codified under Article 8 of the Environmental Conservation Law and Regulations adopted pursuant thereto by the Department of Environmental Conservation of the State (collectively, "SEQRA") and related Short Environmental Assessment Form ("EAF") and issued a negative declaration (the "Negative Declaration", dated June 14, 2011, a copy of which along with the EAF are attached hereto as **Exhibit A**; and

WHEREAS, the agency desires to approve the undertaking of the Project, appoint the Company agent of the Agency to undertake same, and authorize the execution and delivery of the Lease Agreement; and

WHEREAS, the Agency further desires to authorize the negotiation of a PILOT Agreement and related documents in furtherance of the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF 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 and any other correspondence submitted by the Company to the Agency, 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 appoint the Company as its agent for purposes of acquiring, constructing and equipping the Project; 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 and otherwise furthering the purposes of the Agency as set forth in the Act; and

(E) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Agency hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants 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 Project occupants in their respective industries; and

(F) Based upon a review of the Application, the EAF and the Negative Declaration issued by the Planning Board of the Town of Ontario and submitted to the Agency, the Agency hereby:

(i) consents to and affirms the status of the Planning Board of the Town of Ontario as Lead Agency for review of the construction of the Facility, within the meaning of, and for all purposes of complying with SEQRA;

(ii) ratifies the proceedings undertaken by the Planning Board of the Town of Ontario as Lead Agency under SEQRA with respect to the acquisition, construction and equipping of the Facility pursuant to SEQRA; and

(iii) finds that the Project involves an "unlisted action" (as such quoted term is defined under SEQRA). The Agency's review is "uncoordinated" (as such quoted term is defined under SEQRA). 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 SEQRA); and (iii) no “environmental impact statement” (as such quoted term is defined under SEQRA) need be prepared for this action. This determination constitutes a “negative declaration” (as such quoted terms are defined under SEQRA) for purposes of SEQRA.

Section 2. Subject to the Company executing the Lease Agreement, a form of which is attached hereto as **Exhibit B**, 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, as agent of the Agency, to undertake 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, 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 status shall expire on **December 31, 2012** (unless extended for good cause by the Executive Director of the Agency).

Section 3. The Chairman, Vice Chairman and/or the Executive Director of the Agency are hereby authorized, on behalf of the Agency, to execute the Lease Agreement, provided (i) the rental payments under the Lease Agreement include payments of all costs incurred by the Agency arising out of or related to the Project, (ii) the Lease Agreement includes indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project, and (iii) the Company agrees to execute and deliver a PILOT Agreement with the Agency on or before February 1, 2012, the terms of such PILOT Agreement to be approved by the Agency in its sole discretion. The Chairman, Vice Chairman and/or the Executive Director of the Agency are hereby authorized negotiate, but not execute a PILOT Agreement relating to the Project.

Section 4. The Chairman, Vice Chairman, and/or Executive Director of the Agency are hereby authorized, on behalf of the Agency, to schedule, notice and conduct a public hearing in compliance with the Act. In addition, once the terms of the proposed PILOT Agreement have been negotiated with the Company, and to the extent the proposed PILOT Agreement deviates from the Agency’s Uniform Tax Exemption Policy (“UTEP”), the Chairman, Vice Chairman, and/or Executive Director of the Agency are hereby authorized to undertake procedures for deviation from the UTEP in accordance with the Act, including the distribution of Notices to the affected tax jurisdictions at least 30-days prior to the Agency’s consideration of authorization of the PILOT Agreement. The Agency authorizes the provision of up to \$100,000 in Financial Assistance in the form of Sales and Use Tax Exemptions, with such limitation to be removed following the Agency’s conduct of a public hearing in accordance with the Act.

Section 5. 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 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 6. These resolutions shall take effect immediately.

The question of the adoption of the foregoing resolutions was duly put to 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			
Robert Havrilla	XX			

The resolutions were thereupon duly adopted.

STATE OF NEW YORK)
COUNTY OF WAYNE) ss:

I, the undersigned Assistant Secretary of the WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY, DO HEREBY CERTIFY:

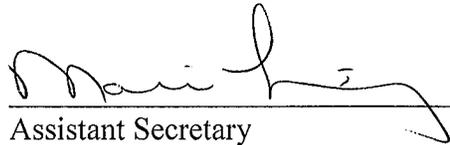
That I have compared the foregoing extract of the minutes of the meeting of the Wayne County Industrial Development Agency (the "Agency") including the resolution contained therein, held on the 6th day of December, 2011, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolution set forth therein and of the whole of said original insofar as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that all members of said Agency had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with Article 7.

I FURTHER CERTIFY that 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 modified.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of said Agency this 6th day of December, 2011.


Assistant Secretary

[SEAL]

EXHIBIT A
ENVIRONMENTAL ASSESSMENT FORM AND NEGATIVE DECLARATION

EXHIBIT B
FORM OF LEASE AGREEMENT

INITIAL PROJECT RESOLUTION

(A.E.Y. Development, LLC Project)

A regular meeting of the Wayne County Industrial Development Agency was convened on December 6, 2011 at 9:30 a.m.

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

Resolution No. 12/2011 - ___

RESOLUTION OF THE WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") (i) ACCEPTING THE APPLICATION OF MICHAEL G. YOUNG AND A.E.Y. DEVELOPMENT, LLC (COLLECTIVELY, THE "COMPANY") IN CONNECTION WITH A PROPOSED PROJECT (AS FURTHER DESCRIBED HEREIN) TO BE LOCATED WITHIN THE TOWN OF MACEDON, NEW YORK; (ii) AUTHORIZING THE SCHEDULING AND CONDUCT OF A PUBLIC HEARING; AND (iii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AGENCY WITH RESPECT TO THE PROJECT

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, (the "Act"), the **WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (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, **MICHAEL G. YOUNG, INDIVIDUALLY, ALONG WITH A.E.Y. DEVELOPMENT, LLC** (collectively, the "Company"), on their own behalf, a related entity or entity to be formed, have submitted an application to the Agency requesting the Agency's assistance with a certain project (the "Project") consisting of (i) the acquisition by the Agency of fee title to, or a leasehold interest in, an approximately 6.24-acre vacant parcel of land located at 1607 Commons Parkway in the Town of Macedon, Wayne County (the "Land", being more particularly described as TMID No. 62111-00-151809); (ii) the construction on the Land of an approximately 10,000 square foot building (the "Improvements") for use by the Company as a truck repair, storage and office facility; (iii) the acquisition of and installation in and around the Land and Improvements by the Company of machinery, equipment, furniture, fixtures and other items of tangible personal property (the "Equipment" and, collectively with, the Land and the Improvements, the "Facility"); and (iv) through a straight lease transaction (within the meaning of subdivision (15) of Section 854 of the Act), pursuant to which the Agency will retain title to or a leasehold interest in the Facility for a period of time and sell or sublease such interest in the Facility back to the Company (the "Straight Lease Transaction"); and

WHEREAS, the Agency is contemplating providing financial assistance to the Company with respect to the Project (collectively, the "Financial Assistance") in the form of: (A) an exemption from all State and local sales and use taxes with respect to qualifying personal property included in or incorporated into the Facility or used in the acquisition, construction or equipping of the Facility; (B) the grant of one or more mortgage liens on the Land (or such interest therein as is conveyed to the Agency) and the Improvements (the "Mortgages") to secure the 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 by the State and any political subdivision thereof; and (C) a partial real property tax abatement through a payment-in-lieu-of-tax agreement (the "PILOT Agreement"), pursuant to which the Company would make payments in lieu of real property taxes to each affected tax jurisdiction (the "Affected Tax Jurisdictions"); and

WHEREAS, the Agency intends to describe the Project, accept the Application, describe the forms of Financial Assistance contemplated by the Agency and authorize the scheduling and conduct of a public hearing pursuant to and in accordance with the Act.

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

Section 1. Based upon the representations made by the Company to the Agency in the 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 title to or an other interest in the Land, the Improvements and the Equipment constituting the Facility, (ii) lease or sell the Agency's interest in the Land, Improvements and Equipment constituting the Facility to the Company pursuant to a lease agreement or sale agreement to be negotiated, and (iii) enter into a Straight Lease Transaction 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 undertake the Project, thereby increasing employment opportunities in the Town of Macedon, which is located within Wayne County, New York, and otherwise furthering the purposes of the Agency as set forth in the Act.

Section 2. The proposed financial assistance being contemplated by the Agency includes (i) an exemption from all state and local sales and use taxes with respect to the qualifying personal property included within the Project or used in the acquisition, construction or equipping of the Project; (ii) the grant of one or more mortgage liens on the Agency's leasehold interest in the Facility to secure indebtedness incurred by or for the benefit of the

Company in connection with the Project by the Company; (iii) a partial real property tax abatement through a payment-in-lieu-of-tax agreement (the "PILOT Agreement"), pursuant to which the Company would make payments in lieu of real property taxes to the Affected Tax Jurisdictions.

Section 3. The Agency further authorizes the scheduling and conduct of a public hearing as required by Article 18-A of the New York State General Municipal Law.

Section 4. The Agency's formal inducement to undertake the Project and approve the Financial Assistance shall be by one or more further resolutions of the Agency and shall be subject to the terms and conditions as are set forth therein.

Section 5. The Company is hereby authorized to conduct such environmental, engineering, economic, feasibility and other studies and preliminary planning and budgetary processes necessary or convenient to enable the Agency to make its final determination whether to approve the Financial Assistance, and the Company, in its own name, is further authorized to advance such funds as may be necessary for such purpose.

Section 6. Harris Beach PLLC, as Transaction Counsel for the Agency, is hereby authorized to work with counsel to the Company and others to prepare for submission to the Agency all documents necessary to effect the authorization and undertaking of the Project.

Section 7. The Chairman (or Vice Chairman) and/or Executive Director of the Agency are hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 8. This Resolution shall take effect immediately.

The question of the adoption of the foregoing resolutions was duly put to 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			
Robert Havrilla	XX			

The resolutions were thereupon duly adopted.

STATE OF NEW YORK)
COUNTY OF WAYNE) ss:

I, the undersigned Assistant Secretary of the Wayne County Industrial Development Agency, DO HEREBY CERTIFY:

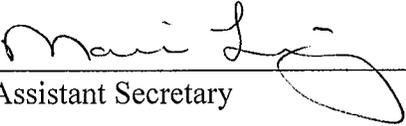
That I have compared the foregoing extract of the minutes of the meeting of the Wayne County Industrial Development Agency (the "Agency") including the resolution contained therein, held on December 6, 2011, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolution set forth therein and of the whole of said original insofar as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that all members of said Agency had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with Article 7.

I FURTHER CERTIFY that 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 modified.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of said Agency this 6th day of December, 2011.



Assistant Secretary

[SEAL]