

INITIAL PROJECT RESOLUTION

(Murphy Co., Inc. – 2012 Project)

A regular meeting of the Wayne County Industrial Development Agency was convened on July 27, 2012 at 9:30 a.m.

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

Resolution No. 07/2012 - ___

RESOLUTION OF THE WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") (i) ACCEPTING THE APPLICATION OF MURPHY CO., INC. (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, the Agency previously undertook a certain project for the benefit of **MURPHY CO., INC.** (the "Company") involving the acquisition, construction and equipping of an approximately 40,000 square foot manufacturing facility located at 1657 East Park Road in the Town of Macedon, Wayne County (the "2000 Facility"), the Agency's interest in such 2000 Facility being set forth within and governed by a certain Lease Agreement (the "2000 Lease Agreement", dated March 1, 2000) and Payment-in-lieu-of-Taxes Agreement (the "2000 PILOT Agreement", dated March 29, 2000), along with related documents (collectively, the 2000 Lease Agreement and 2000 PILOT Agreement, along with related documents collectively referred to herein as the "2000 Facility Documents"); and

WHEREAS, the Company has submitted an application (the "Application") to the Agency requesting the Agency's assistance with respect to a certain project (the "Project") consisting of: (i) the retention and acquisition by the Agency of a leasehold interest in certain realty located at 1657 East Park Road in the Town of Macedon, Wayne County (the "Land", including 3.80 acres of land identified as TMID No. 61111-00-115858, an approximately .825 acre portion of TMID No. 61111-00-145905, and an approximately .776 acre portion of TMID No. 61111-00-000973) and the existing facilities located thereon including the 2000 Facility,

which consists of an approximately 40,000 square-foot of light manufacturing space used by the Company and tenants of the Company for thermal heat sink manufacturing and related purposes (the "Existing Improvements"); (ii) the construction on the Land of an approximately 20,000 square foot addition to the Existing Improvements, along with related site work and other improvements on the Land (the "Improvements"); (iii) the acquisition of and installation in and around the Existing Improvements and the Improvements by the Company of machinery, equipment, furniture, fixtures and other items of tangible personal property (the "Equipment" and, collectively with, the Land, Existing Improvements, and the Improvements, the "2012 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 a leasehold interest in the 2000 Facility and 2012 Facility and sublease such interest in the Facility back to the Company (the "Straight Lease Transaction").

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; 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; and (iv) 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 Chairman (or Vice Chairman) and/or Executive Director of the Agency are hereby authorized and directed to negotiate, but not execute, certain lease agreements, the PILOT Agreement, and related documents to undertake the Straight Lease Transaction, which may include documents to effectuate the termination and/or modification of the 2000 Facility Documents.

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			
Pamela Heald	XX			

The resolutions were thereupon duly adopted.

STATE OF NEW YORK)
COUNTY OF WAYNE) ss:

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

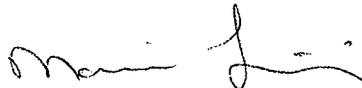
That I have compared the foregoing extract of the minutes of the meeting of the Wayne County Industrial Development Agency (the "Agency") including the resolution contained therein, held on July 27, 2012, with the original thereof on file in my office, and that the same is a true and correct copy of 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 27th day of July, 2012.



Marie Leisenring, Secretary

[SEAL]