

PROJECT AUTHORIZING RESOLUTION
(Murphy Co., Inc. Project – 2012 Facility)

A regular meeting of the Wayne County Industrial Development Agency was convened on August 24, 2012 at 9:30 a.m.

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

Resolution No. 08/2012 - __

RESOLUTION AUTHORIZING THE WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY"): (i) AUTHORIZING THE UNDERTAKING OF A CERTAIN PROJECT (AS FURTHER DESCRIBED HEREIN); (ii) APPOINTING MURPHY CO., INC. (THE "COMPANY") AS AGENT TO UNDERTAKE THE PROJECT; (iii) ADOPTING FINDINGS OF THE AGENCY PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT ("SEQRA"); AND (iv) AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN AGENCY DOCUMENTS AND TERMINATION DOCUMENTS (AS FURTHER DESCRIBED HEREIN), ALONG WITH THE PROVISION OF CERTAIN FINANCIAL ASSISTANCE TO THE COMPANY (AS DEFINED HEREIN).

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, 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, 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"); and

WHEREAS, by resolution adopted July 27, 2012 (the "Initial Project Resolution"), the Agency (i) accepted the Application submitted by the Company, (ii) authorized the scheduling and notice of a public hearing to be held by the Agency in connection with the Project (the "Public Hearing", as further detailed herein), (iii) authorized the negotiation of a lease agreement ("Lease Agreement"), leaseback agreement ("Leaseback Agreement"), and related payment-in-lieu-of-tax agreement ("PILOT Agreement"); and

WHEREAS, it is contemplated that the Agency will enter into a lease agreement (the "Lease Agreement"), leaseback agreement (the "Leaseback Agreement") and payment-in-lieu-of-tax agreement (the "PILOT Agreement"), and related documents (the "Agency Documents") with the Company in connection with the Project; pursuant to which the Agency will take title to or retain its interest in the Land, including the 2000 Facility, the Improvements, the Equipment and personal property constituting the Project, and (iv) 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 connection with the Straight Lease Transaction, it is contemplated that the Agency and Company will terminate the 2000 Facility Documents through a certain termination agreement (the "Termination Agreement") and related quitclaim deed (the "Quitclaim Deed", along with the Termination Agreement and related documents and certificates, collectively defined within the Initial Project Resolution and herein as the "Termination Documents"); and

WHEREAS, the Agency duly scheduled, provided notice and conducted the Public Hearing on Thursday, August 23, 2012, at 9:30 a.m. local time, at the Town of Macedon Town Hall, 32 Main Street, Macedon, New York 14502 at which time the Agency presented a copy of the Company's project Application (including a cost-benefit analysis) 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 Financial Assistance; and

WHEREAS, the Planning Board of the Town of Macedon 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 August 13, 2012) a copy of which along with the EAF are attached hereto as **Exhibit A**; and

WHEREAS, the agency desires to approve (i) the undertaking of the Project, including the Straight Lease Transaction, (ii) the appointment of the Company agent of the Agency to undertake same, (iii) the execution and delivery of the Agency Documents, and (iv) execution and delivery of the Termination Documents.

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 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) It is desirable and in the public interest for the Agency to (i) retain a leasehold interest in the Land and Existing Improvements constituting the 2000 Facility and acquire title to or an other interest in the Land, Improvements, Existing Improvements and the Equipment constituting the 2012 Facility, (ii) lease the Agency’s interest in the 2012 Facility to the Company pursuant to the Straight Lease Transaction; and

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

(E) 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; and

(F) The Project will not result in the removal of a facility or 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 facility or plant 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

(G) The Agency hereby accepts the minutes of the Public Hearing; and

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

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

(ii) ratifies the proceedings undertaken by the Town of Macedon 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 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 Leaseback Agreement, along with the delivery to the Agency of a binder, certificate or other evidence of continued liability insurance policy satisfactory to the Agency, the Agency hereby authorizes the Company, as agent of the Agency, to continue with the acquisition, construction and equipping and equipping of the Project and hereby extends the appointment of 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.

Section 3. The Chairman (or Vice Chairman) and/or Executive Director of the Agency are hereby authorized, on behalf of the Agency, to negotiate and enter into the Agency Documents and Termination 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; and (ii) the terms of the PILOT Agreement are consistent with the Agency's Uniform Tax Exemption Policy or the procedures for deviation have been complied with.

Section 4. 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 5. 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	
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:

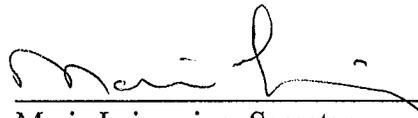
That I have compared the foregoing extract of the minutes of the meeting of the Wayne County Industrial Development Agency (the "Agency") including the resolution contained therein, held on the 24th day of August, 2012, with the original thereof on file in my office, and that the same is a true and correct 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 24th day of August, 2012.



Marie Leisenring, Secretary

[SEAL]