

**INITIAL PROJECT RESOLUTION**  
*(Palmyra Properties, LLC Project)*

A regular meeting of the Wayne County Industrial Development Agency was convened on June 28, 2013 at 9:30 a.m.

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

Resolution No. 6/2013 - \_\_

RESOLUTION OF THE WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") (i) ACCEPTING THE APPLICATION OF PALMYRA PROPERTIES, LLC (THE "COMPANY") IN CONNECTION WITH A PROPOSED PROJECT (AS FURTHER DESCRIBED HEREIN) TO BE LOCATED WITHIN THE VILLAGE OF PALMYRA, 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, PALMYRA PROPERTIES, LLC (the "Company"), has 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 a leasehold interest in an approximately .18 acres of real property comprised of 4 tax parcels located at 234-240 East Main Street in the Village of Palmyra, New York (the "Land", being more particularly described as tax parcels 64111-11-726685, 64111-11-728685, 64111-11-730684, and 64111-11-733683) along with the existing improvements thereon (the "Existing Improvements"); (ii) the demolition of the Existing Improvements and the planning, design, construction, reconstruction and operation of an approximately 3,000 square foot building, along with external curbage, sidewalks, and landscaping improvements to be operated as restaurant facility leased to and operated by Palmyra Pizza, Inc., doing business as Mark's Pizzeria (the "Improvements"); (iii) the acquisition of and installation in and around the Improvements by the Company of machinery, equipment, fixtures and other items of tangible personal property (the "Equipment" and, collectively with, the Land and Improvements, the "Facility"); and (iv) entering into 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 Facility for a period of time and 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; and (B) 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 public hearing(s) 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 other interest in the Land, the Existing Improvements, Improvements and the Equipment constituting the Facility, (ii) lease or sell the Agency's interest in the Land, Existing Improvements, 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 Village of Palmyra, which is located within Wayne County, New York, 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 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

(F) Based upon the Agency's review of the Application submitted by the Company, along with supporting materials, the Project will include facilities or property that are primarily used in making retail sales, as defined within Section 862(2) of the Act, to customers who personally visit the Facility. Notwithstanding the foregoing, and based upon the Application and supporting materials prepared and presented by the Company to the Agency, the Project is located in a "highly distressed area" by virtue of being within an area which was designated an empire zone pursuant to Article 18-B of 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 (ii) 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, the Executive Director and/or the Deputy 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.

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, the Executive Director and/or the Deputy 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:

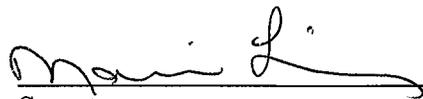
That I have compared the foregoing extract of the minutes of the meeting of the Wayne County Industrial Development Agency (the "Agency") including the resolution contained therein, held on June 28, 2013, with the original thereof on file in my office, and that the same is a true and correct copy of 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 28th day of June, 2013.

  
Secretary

[SEAL]