

INITIAL PROJECT RESOLUTION
(Empire Fruit Growers Co-Op, Inc. Project)

A regular meeting of the Wayne County Industrial Development Agency was convened on September 24, 2010 at 9:30 a.m.

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

Resolution No. 09/2010 - __

RESOLUTION OF THE WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") (1) ACCEPTING THE APPLICATION OF EMPIRE FRUIT GROWERS CO-OP, INC. IN CONNECTION WITH A PROPOSED PROJECT (AS FURTHER DESCRIBED HEREIN) TO BE LOCATED WITHIN THE TOWN OF HURON, NEW YORK; (2) AUTHORIZING THE SCHEDULING AND CONDUCT OF A PUBLIC HEARING; AND (3) 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, (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, **EMPIRE FRUIT GROWERS CO-OP, INC.**, a domestic business corporation of the State of New York with a mailing address at 5975 Lake Bluff Road, North Rose, New York 14516, for itself or on behalf of an entity to be formed (the "Company") has submitted an application (the "Application") to the Agency, copies of which were presented at this meeting and a copy of which is on file at the office of 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 4.98 acre unimproved parcel of land located in the Town of Huron, Wayne County (the "Land", being more particularly described as TMID No. 74117-00-026538); (ii) the construction on the Land of an approximately 70,000 square-foot facility (the "Improvements") for use by the Company as fresh fruit packing, warehousing and distribution space for the Company's apple and other fresh fruit packing, refrigerated storage and distribution operations; (iii) the acquisition of and installation in and around the 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 Huron, which is located within 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.

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. This resolution shall authorize the Agency to hold 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. Counsel to the Agency and Harris Beach PLLC, as Transaction Counsel for the Agency are 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	
Marvin E. Decker	xx			
Robert Havrilla	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 September, 2010, 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 September, 2010.



Secretary

[SEAL]

Resolution B - 9/24/2010

INITIAL PROJECT RESOLUTION

(Kairos, LLC – Ankom Technology Corp. - 2010 Project)

A regular meeting of the Wayne County Industrial Development Agency was convened on September 24, 2010 at 9:30 a.m.

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

Resolution No. 09/2010 - __

RESOLUTION OF THE WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") (1) ACCEPTING THE APPLICATION OF ANDREW KOMAREK, INDIVIDUALLY AND ON BEHALF OF KAIROS, LLC AND ANKOM TECHNOLOGY CORP. IN CONNECTION WITH A PROPOSED PROJECT (AS FURTHER DESCRIBED HEREIN) TO BE LOCATED WITHIN THE TOWN OF MACEDON, NEW YORK; (2) AUTHORIZING THE SCHEDULING AND CONDUCT OF A PUBLIC HEARING; AND (3) 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, (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 **KAIROS, LLC AND ANKOM TECHNOLOGY CORP.** involving the acquisition, construction and operation of a light manufacturing and industrial development facility located at 2052 O'Neill Road in the Town of Macedon, County of Wayne and State of New York (collectively, the "2002 Facility"), the Agency's interest in such 2002 Facility being set forth within and governed by a certain Lease Agreement (the "2002 Lease Agreement") and Payment -in-lieu-of Taxes Agreement (the "2002 PILOT Agreement"), each dated as of December 1, 2002, along with related documents (collectively, the 2002 Lease Agreement and 2002 PILOT Agreement, along with related documents collectively referred to herein as the "2002 Facility Documents"); and

WHEREAS, **ANDREW KOMAREK, INDIVIDUALLY AND ON BEHALF OF KAIROS, LLC AND ANKOM TECHNOLOGY CORP.** (collectively, the "Company") has submitted an application (the "Application") to the Agency, copies of which were presented at

this meeting and a copy of which is on file at the office of the Agency, requesting the Agency's assistance with respect to a certain project (the "Project") consisting of (i) the retention by the Agency of fee title to an approximately 58.5 acre parcel of land located in the Town of Macedon, Wayne County (the "Land", being more particularly described as TMID No. 63112-00-158493) and existing approximately 10,000 square foot light manufacturing facility (the "Existing Improvements"); (ii) the construction on the Land of an approximately 8,000 square-foot addition to the Existing Improvements (the "Improvements") to expand the Company's existing light manufacturing operations; (iii) the acquisition of and installation in and around the Existing Improvements and Improvements by the Company of machinery, equipment, furniture, fixtures and other items of tangible personal property (the "Equipment" and, collectively with, the Land, improvements to the Existing Improvements, and the Improvements, the "2010 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 the 2002 Facility and 2010 Facility for a period of time and sell or sublease such interest in the Facility back to the Company (the "Straight Lease Transaction"), such Straight Lease Transaction to be effectuated, in part, through the amendment and restatement of certain of the 2002 Facility Documents; 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 2010 Facility or used in the acquisition, construction or equipping of the 2010 Facility; (B) the grant of one or more mortgage liens on the Land (or such interest therein as is retained by the Agency) and the 2002 Facility and 2010 Facility (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) retain title to the Land, the Existing Improvements, the Improvements and the Equipment constituting the 2002

Facility and 2010 Facility, (ii) lease or sell the Agency's interest in the 2002 Facility and 2010 Facility to the Company through the amendment and restatement of certain of the 2002 Facility Documents; 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. This resolution shall authorize the Agency to hold 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. Counsel to the Agency and Harris Beach PLLC, as Transaction Counsel for the Agency are 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	
Marvin E. Decker	xx			
Robert Havrilla	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 September, 2010, 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 September, 2010.



Secretary

[SEAL]