

INITIAL PROJECT RESOLUTION
(Marshall Pet Products, Inc. Project)

A regular meeting of the Wayne County Industrial Development Agency was convened on August 27, 2010 at 9:30 a.m.

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

Resolution No. 08/2010 - __

RESOLUTION OF THE WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") (1) ACCEPTING THE APPLICATION OF MARSHALL PET PRODUCTS, INC. IN CONNECTION WITH A PROPOSED PROJECT (AS FURTHER DESCRIBED HEREIN) TO BE LOCATED WITHIN THE TOWN OF BUTLER, 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, **MARSHALL PET PRODUCTS, INC.**, a domestic business corporation of the State of New York with a mailing address at 5740 Limekiln Road, Wolcott, New York 14590, 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 13.3 acre unimproved parcel of land located in the Town of Butler, Wayne County (the "Land", being more particularly described as TMID No. 75116-00-685897); (ii) the construction on the Land of an approximately 27,000 square-foot facility (the "Improvements") for use by the Company as light industrial, packaging and distribution space for the Company's pet food ingredient production 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 Butler, 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 27th day of August, 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
27th day of August, 2010.



Secretary

[SEAL]

INDUCEMENT RESOLUTION

(Wayne-Finger Lakes Board of Cooperative Education Services)

A regular meeting of Wayne Industrial Development Agency convened on August 27, 2010 at 9:30 a.m.

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

Resolution No. 08/2010 - _____

RESOLUTION OF THE WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY TO: (i) NEGOTIATE THE ACQUISITION OF AN APPROXIMATELY 0.590 ACRE PARCEL OF LAND LOCATED ON CHURCH STREET IN THE VILLAGE OF NEWARK, WAYNE COUNTY AND STATE OF NEW YORK FROM THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK (THE "GARAGE ADDITION"); AND (ii) NEGOTIATE THE SALE OF THE GARAGE ADDITION TO THE WAYNE ECONOMIC DEVELOPMENT CORPORATION.

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"), **WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (hereinafter called 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 its organizational documents; and

WHEREAS, the **WAYNE ECONOMIC DEVELOPMENT CORPORATION** (hereinafter called the "WEDC") is a not-for-profit local development corporation under Section 1411 of the Not-For-Profit Corporation Law of the State of New York; and

WHEREAS, THE **THIRD WAYNE ECONOMIC DEVELOPMENT CORPORATION** (hereinafter called the "3rd WEDC" or "WEDC") was merged into the WEDC by a Certificate of Merger filed with the New York State Department of State on June 16, 2009; and

WHEREAS, the WEDC is the owner in fee simple of property and improvements consisting of approximately 16.05 acres situate in the southwest quadrant of the intersection of East Maple Avenue and Vienna Street, Village of Newark, County of Wayne and State of New York (the "Original Premises"); and

WHEREAS, the WEDC has leased the Original Premises to **WAYNE-FINGER LAKES BOARD OF COOPERATIVE EDUCATION SERVICES** (the "BOCES") pursuant to a certain Lease Agreement, dated as of June 25, 2004, between the WEDC, the Authority, as defined herein, and the BOCES (the "Original Lease Agreement"), which Original Lease Agreement was recorded in the Office of the Wayne County Clerk on June 24, 2004 as Document No. R9045164; and

WHEREAS, the Original Lease Agreement was amended and modified by a certain Amendment Number One to Lease Agreement, dated as of February 1, 2009 (the "Amendment Number One to Lease Agreement"), by and among the WEDC, Authority and BOCES (collectively the "Lease Agreement"); and

WHEREAS, BOCES has requested the assistance of the WEDC and the Agency with a certain project (the "Project") consisting of: (i) the Agency's acquisition (the "Acquisition") of fee title from the People of the State of New York (the "State"), acting by and through the Dormitory Authority of the State of New York (the "Authority") in an approximately 0.590 acre parcel of land located at Church Street in the Village of Newark, Wayne County, New York (the "Land") and the existing improvements located thereon consisting of an approximately 11,180 square-foot of garage storage space (the "Existing Improvements"), (ii) the WEDC's acquisition of fee title to the Land and Existing Improvements from the Agency (iii) the construction thereon of certain upgrades and renovations to the Existing Improvements for the storage of motor vehicles and equipment and office use (the "Upgrades" and collectively with the Existing Improvements, the "Improvements"), collectively with the Land and the Improvements (the "Garage Addition"); and

WHEREAS, BOCES has requested WEDC amend and modify the Lease Agreement to include the Garage Addition pursuant to a Second Amendment and Modification Agreement (the "Second Amendment and Modification Agreement"); and

WHEREAS, the Authority had an independent appraisal of the Garage Addition completed by Keuka Appraisal Services, Inc. dated February 10, 2010 which listed the fair market value of the property as \$30,800.00 (the "2010 Appraisal"), which is attached hereto as Exhibit "A" and made a part hereof; and

WHEREAS, the Agency wishes to adopt the 2010 Appraisal as the "independent appraisal" of the Agency pursuant to Section 2897 of the Public Authorities Law; and

WHEREAS, the Agency wishes to make a determination that: i) the purpose of the proposed disposition of the Garage Addition by the Agency to the WEDC is within the purpose, mission or governing statute of the Agency pursuant to Section 2897 (7)(ii) of the Public Authorities Law; ii) the Garage Addition may be disposed of by negotiation pursuant to Section 2897 (6)(c)(v) of the Public Authorities Law; and iii) no explanatory statement is required pursuant to Section 2897 (6)(d)(i)(C) of the Public Authorities Law (the "90-Day Notice") because the Garage Addition has an estimated fair market value less than \$100,000.00; and

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

Section 1. The Chairman, Vice Chairman and/or the Executive Director of the Agency are hereby authorized, on behalf of the Agency, to negotiate the purchase of the Garage Addition from the State, to negotiate the sale of the Garage Addition to the WEDC, any necessary Garage Addition acquisition documents, including any Deeds and other instruments

necessary for the Agency to acquire and sell fee title to the Garage Addition, and related documents, containing the terms presented at this meeting with such changes as shall be approved by the Chairman, Vice Chairman and/or the Executive Director upon execution.

Section 2. The Agency determines: (i) to adopt the 2010 Appraisal as the "independent appraisal" of the WEDC pursuant to Section 2897 of the Public Authorities Law and make the following determinations; (i) that the purpose of the proposed sale of the Garage Addition by the Agency to the WEDC is within the purpose, mission or governing statute of the WEDC pursuant to Section 2897 (7)(ii) of the Public Authorities Law; (ii) the Garage Addition may be disposed of by negotiation pursuant to Section 2897 (6)(c)(v) of the Public Authorities Law; and (iii) no explanatory statement of the circumstances of the proposed "disposal" by negotiation is required pursuant to Section 2897 (6)(d)(i)(C) of the Public Authorities Law.

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.

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>Nea</i>	<i>Absent</i>	<i>Abstain</i>
James Hoffman			xx	
Willard Milliman	xx			
Marvin E. Decker	xx			
David Spickerman	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 annexed extract of minutes of the meeting of the Wayne County Industrial Development Agency (the "Agency"), including the resolution contained therein, held on August 27, 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 related 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 such 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 affixed the seal of said Agency this 27th day of August, 2010.


Secretary

[SEAL]

EXHIBIT A

[Appraisal]

Attached hereto

-copy in BOCES file