

RESOLUTION
(Wellsville Carpet Town, Inc.)

A regular meeting of the Genesee County Industrial Development Agency d/b/a Genesee County Economic Development Center was convened on Wednesday, April 12, 2006, at 8:00 a.m.

The meeting was called to order by the Chairman, with the following members being:

PRESENT:

M. Gerber
L. Benton
H. Upson
S. Carr
J. Vincent
J. Fulmer

ABSENT:

J. Andrews

On motion duly made and seconded, the following resolution was placed before the members of the Genesee County Industrial Development Agency d/b/a Genesee County Economic Development Center:

Resolution No. 04/2006 - _____

RESOLUTION OF THE GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY D/B/A GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER (i) ACCEPTING THE APPLICATION OF WELLSVILLE CARPET TOWN, INC. WITH RESPECT TO A CERTAIN PROJECT (AS DESCRIBED BELOW) LOCATED AT THE INTERSECTION OF ROUTE 98 AND WEST SAILE DRIVE, BATAVIA, GENESEE COUNTY, NEW YORK; (ii) AUTHORIZING A PUBLIC HEARING WITH RESPECT TO THE PROJECT; AND (iii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AGENCY

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 565 of the Laws of 1970 of the State of New York, as amended (hereinafter collectively called the "Act"), **GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY d/b/a GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER** (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 by the Act; and

WHEREAS, **WELLSVILLE CARPET TOWN, INC.**, for itself or on behalf of an entity to be formed (the "Company"), has requested the Agency's assistance with a certain project (the "Project") consisting of (i) the acquisition by the Agency of fee title to or a leasehold interest in an approximately 9-acre unimproved parcel of land located at the intersection of Route 98 and West Saile Drive in Batavia, Genesee County, New York (the "Land"), (ii) the construction and equipping on the Land of an approximately 100,000 square-foot assembly warehouse and distribution center for the Company's "Ashley Homestore" furniture assembly operations (the "Improvements"), and (iii) the acquisition in and around the Improvements of certain items of equipment and other tangible personal property (the "Equipment," and collectively with the Land and the Improvements, the "Facility"); and

WHEREAS, pursuant to Article 18-A of the General Municipal Law, the Agency desires to adopt a resolution describing the Project and the financial assistance that the Agency is contemplating with respect to the Project; and

WHEREAS, it is contemplated that the Agency will hold a public hearing and (i) negotiate an agent agreement (the "Agent Agreement") whereby the Agency will designate the Company as its agent for the purpose of acquiring, constructing and equipping the Project (the "Agent Agreement"), (ii) negotiate and enter into a lease agreement (the "Lease Agreement") and leaseback agreement (the "Leaseback Agreement"), (iii) take fee title to or a leasehold interest in the Land, the Improvements, the Equipment and personal property constituting the Facility (once the Lease Agreement and Leaseback Agreement have been negotiated), 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 mortgage recording tax exemption for the financing related to the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE 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, 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) The Agency has the authority to take the actions contemplated herein under the Act; and

(C) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing employment opportunities in Genesee County, New York, and otherwise furthering the purposes of the Agency as set forth in the Act; and

(D) Although the Project will result in the removal of an industrial or manufacturing plant of the Company (but not of any other proposed occupant of the Project) from one area of the State of New York (the "State") to another area of the State and result in the abandonment of one or more plants or facilities of the Company (but not of any other proposed occupant of the Project) 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 Chairman, Vice Chairman and/or the Chief Executive Officer of the Agency are hereby authorized, on behalf of the Agency, to hold a public hearing in compliance with the Act and negotiate the terms of (A) an Agent Agreement, whereby the Agency appoints the Company as its agent to undertake the Project, (B) a Lease Agreement whereby the Company leases the Project to the Agency, (C) a related Leaseback Agreement conveying the Project back to the Company, and (D) related documents; *provided* the provisions of the Agent Agreement and 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.

Section 3. The Agency is hereby authorized to conduct a public hearing in compliance with the Act.

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 vote on roll call, which resulted as follows:

	<i>Yea</i>	<i>Nay</i>	<i>Absent</i>	<i>Abstain</i>
John F. Andrews	[]	[]	[✓]	[]
James L. Vincent	[✓]	[]	[]	[]
Stephen H. Carr	[✓]	[]	[]	[]
James W. Fulmer	[✓]	[]	[]	[]
Hollis Upson	[✓]	[]	[]	[]
Michael Gerber	[✓]	[]	[]	[]
L. William Benton	[✓]	[]	[]	[]

The Resolutions were thereupon duly adopted.

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