

INITIAL RESOLUTION

(Batavia Special Needs Apartments, L.P. Project)

A special meeting of the Genesee County Industrial Development Agency d/b/a Genesee County Economic Development Center was convened on Friday, February 29, 2008 at 8:00 a.m.

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

Resolution No. 02/2008-03

RESOLUTION OF THE GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY D/B/A GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER (i) ACCEPTING THE APPLICATION OF BATAVIA SPECIAL NEEDS APARTMENTS, L.P. WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DEFINED BELOW), (ii) AUTHORIZING A PUBLIC HEARING WITH RESPECT TO THE PROJECT, AND (iii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED 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 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, **BATAVIA SPECIAL NEEDS APARTMENTS, L.P.**, 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 or retention by the Agency of fee title to or a leasehold interest in certain contiguous parcels of land located at 549, 555, 557, and 559 East Main Street, all in the City of Batavia, Genesee County, New York (collectively the "Land"), (ii) the razing of certain existing residential buildings located on the Land (the "Existing Improvements"), (iii) the construction and equipping on the Land by the Company of an approximately 42,600 square-foot, forty bed supported apartments project for mentally handicapped and mentally challenged adults (the "Improvements") and (iv) the acquisition by the Company in and around the Improvements and at and 11 Holmes Avenue, in the City of Batavia, Genesee County New York of certain items of equipment and other tangible personal property (the "Equipment" and, collectively with the Land, the Existing Improvements 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 (as defined below) 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 and enter into an agent agreement (the "Agent Agreement"), pursuant to which the Agency will designate the Company as its agent for the purpose of acquiring, constructing and equipping the Project, (ii) negotiate and enter into a lease agreement (the "Lease Agreement"), leaseback agreement (the "Leaseback Agreement") and payment-in-lieu-of-tax agreement (the "PILOT Agreement") with the Company, (iii) take title to or a leasehold interest in the Land, the Improvements and personal property constituting the Facility (once the Lease Agreement, Leaseback Agreement and PILOT Agreement have been negotiated), and (iv) provide financial assistance (the "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, (b) a partial real property tax abatement structured through the PILOT Agreement, and (c) a mortgage recording tax exemption for the financing related to the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY D/B/A GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER 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 and otherwise furthering the purposes of the Agency as set forth in the Act; and

(D) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing 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 plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries.

Section 2. The Chairman, Vice Chairman, Executive Vice President and/or the President/CEO 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, pursuant to which the Agency appoints the Company as its agent to undertake the Project, (B) a Lease Agreement, pursuant to which the Company leases the Facility to the Agency, (C) a related Leaseback Agreement, pursuant to which the Agency conveys its interest in the Facility back to the Company, (D) the PILOT Agreement and (E) 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 a 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	[✓]	[]	[]	[]
James W. Fulmer	[]	[]	[✓]	[]
Hollis Upson	[✓]	[]	[]	[]
Michael Gerber	[✓]	[]	[]	[]
L. William Benton	[✓]	[]	[]	[]
Wolcott T. Hinchey	[]	[]	[✓]	[]

The Resolutions were thereupon duly adopted.