

**Inducement Resolution
Champion Home Builders Co.**

RESOLUTION OF THE ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD AN AMENDED AND RESTATED SALE-LEASEBACK TRANSACTION FOR SUCH FACILITY, AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE FACILITY.

WHEREAS, Champion Home Builders Co., on behalf of itself and/or the principals of Champion Home Builders Co. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") requested the Oneida County Industrial Development Agency (the "Issuer") issue its Variable Rate Demand Industrial Development Revenue Bonds on June 1, 1999 in the amount of \$6,820,000 (the "Bonds") to finance a portion of the costs of a certain industrial development facility consisting of a 171,000± square foot building (the "Improvements") situated on a 24± acre parcel of land located at 951 Route 12 South in the Town of Sangerfield, County of Oneida, New York (the "Land") (the Land and the Improvements referred to collectively as the "Facility"), all to be used for the manufacture of single and double wide homes; and

WHEREAS, the Issuer acquired fee title to the Land by way of a deed dated June 24, 1999 from the Company to the Issuer (the "Deed"); and

WHEREAS, the Issuer leases the Facility to the Company pursuant to a Lease Agreement dated as of June 1, 1999 (the "Lease Agreement") between the Issuer and the Company and pursuant to Article 18-A of the General Municipal Law of the State of New York and Chapter 372 of the Laws of 1970 of the State of New York, as may be amended from time to time (collectively, the "Act"); and

WHEREAS, the Act authorizes and empowers the Issuer to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, the Issuer and the Company entered into a Payment-In-Lieu-Of-Tax Agreement dated as of June 1, 1999 (the "PILOT Agreement") to provide for certain payments to the Taxing Authorities (as said term is defined therein); and

WHEREAS, the Issuer contemplates that it will provide financial assistance to the Facility in the form of abatement of real property taxes for an additional five (5) years, which benefits represent a deviation from the Issuer's Uniform Tax Exemption Policy, to be more particularly described in a Final Authorizing Resolution to be adopted by the Issuer prior to the closing of the transactions described herein; and

WHEREAS, prior to the closing of the extension of the PILOT Agreement, and the granting of any tax benefits, a public hearing (the "Hearing") will be held so that all persons with views in favor of or opposed to either the financial assistance contemplated by the Issuer, or the location or nature of the Facility, can be heard; and

WHEREAS, notice of the Hearing will be given prior to the closing of the amended and restated sale-leaseback transaction, and the granting of any tax benefits, and such notice (together with proof of publication) will be substantially in the form annexed hereto as Exhibit A; and

WHEREAS, the minutes of the Hearing are or will be annexed hereto as Exhibit B; and

WHEREAS, the Issuer has given due consideration to the Application for Financial Assistance submitted by the Company dated June 3, 2009 (the "Application") and to representations by the Company that the proposed extension of the PILOT Agreement, is either an inducement to the Company to maintain employment in the County or is necessary to maintain the competitive position of the Company in its industry; and

WHEREAS, the Company has represented in the Application that it will maintain no less than 75 full time equivalent employees for the duration of the Lease Agreement (the "Employment Obligation"); and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively, the "SEQR Act" or "SEQRA"), the Issuer constitutes a "State Agency"; and

WHEREAS, to aid the Issuer in determining whether the Facility may have a significant effect upon the environment, the Company has prepared and submitted to the Issuer an Environmental Assessment Form and related documents (the "Questionnaire") with respect to the Facility, a copy of which is on file at the office of the Issuer; and

WHEREAS, the Questionnaire has been reviewed by the Issuer.

NOW, THEREFORE, BE IT RESOLVED by the Oneida County Industrial Development Agency (a majority of the members thereof affirmatively concurring) that:

Section 1. Based upon the Environmental Assessment Form completed by the Company and reviewed by the Issuer and other representations and information furnished by the Company regarding the Facility, the Issuer determines that the action relating to the operation of the Facility is an "unlisted" action, as that term is defined in the State Environmental Quality Review Act (Article 8 of the Environmental Conservation Law) ("SEQRA"). The Issuer also determines that the action will not have a "significant effect" on the environment, and, therefore, an environmental impact statement will not be prepared. This determination constitutes a negative declaration for purposes of SEQRA. Notice of this determination shall be filed to the extent required by the applicable regulations under SEQRA or as may be deemed advisable by the Chairman of the Issuer or counsel to the Issuer.

- Section 2.
- (a) The operation of the Facility and the financing thereof by the Issuer, through the extension of the PILOT Agreement, will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the County and the people of the State of New York and improve their standard of living, and thereby serve the public purposes of the Act and the same is, therefore, approved;
 - (b) It is desirable and in the public interest for the Issuer to extend the PILOT Agreement for the purpose of financing the costs of the operation of the Facility, together with necessary incidental expenses in connection therewith as reflected in the Company's application to the Issuer and as amended from time to time prior to the closing of the extension of the PILOT Agreement.

- Section 3. The form and substance of a proposed inducement agreement (in substantially the form presented to this meeting) by and between the Issuer and the Company setting forth the undertakings of the Issuer and the Company with respect to the closing of extension of the PILOT Agreement, and the operation of the Facility (the "Agreement") are hereby approved. The Chairman of the Issuer is hereby authorized, on behalf of the Issuer, to execute and deliver the Agreement, with such changes in terms and form as the Chairman shall approve. The execution thereof by the Chairman shall constitute conclusive evidence of such approval.
- Section 4. Subject to the conditions set forth in Section 4.02 of the Agreement, the Issuer shall lease the Facility to the Company, pursuant to the Lease Agreement, as amended, whereby the Company will be obligated, among other things, to make lease payments to the Issuer and to maintain the Employment Obligation.
- Section 5. The law firm of Bond, Schoeneck & King, PLLC is appointed Transaction Counsel and Agency Counsel in connection with the amendment and restatement of the sale-leaseback transaction.
- Section 7. Transaction Counsel/Agency Counsel is hereby authorized to work with counsel to the Company and others to prepare, for submission to the Issuer, all documents necessary to effect the amendment and restatement of the sale-leaseback transaction.
- Section 8. The Chairman of the Issuer is 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 9. This resolution shall take effect immediately.

STATE OF NEW YORK)
 : ss.:
COUNTY OF ONEIDA)

I, the undersigned Secretary of the Oneida County Industrial Development Agency DO HEREBY CERTIFY THAT:

I have compared the foregoing copy of a resolution of the Oneida County Industrial Development Agency (the "Issuer"), with the original thereof on file in the office of the Issuer, and that the same is a true and correct copy of such resolution and of the proceedings of the Issuer in connection with such matter.

Such resolution was passed at a meeting of the Issuer duly convened in public session on June 19, 2009 at eight o'clock a.m., local time, at 153 Brooks Road, Rome, New York, which the following members were:

Members Present: Ferris Betrus
Natalie Brown
Michael Fitzgerald
David Grow
Michael Valentine
Steven Zogby

Staff Present: Jim Castilla
Steve DiMeo
Shawna Papale
Mary Rizzo

Others Present: M. Dorr
M. Murphy
D. O'Toole
L. Ruberto
M. Stephens

The question of the adoption of the foregoing resolution was duly put to vote on roll call, which resulted as follows:

Ferris Betrus voting aye;
Natalie Brown voting aye;
Michael Fitzgerald abstaining;
David Grow voting aye;
Michael Valentine voting nay; and
Steve Zogby voting aye.

and, therefore, the resolution was declared duly adopted.

The Agreement and the Application are in substantially the form presented to and approved at such meeting.

I FURTHER CERTIFY that (i) all members of the Issuer had due notice of said meeting, (ii) pursuant to Sections 103a and 104 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public and public notice of the time and place of said meeting was duly given in accordance with such Sections 103a and 104, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand this 19th day of June 2009.

Shawna Papale, Secretary

EXHIBIT A

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Article 18-A of the New York State General Municipal Law, will be held by the Oneida County Industrial Development Agency (the "Issuer") on the 9th day of September 2009 at 9 o'clock a.m., local time, at Sangerfield Town Hall, 1084 State Route 12, Town of Sangerfield, Oneida County, New York, in connection with the following matters:

Champion Home Builders Co., Titan Homes Division, a Michigan corporation authorized to do business in the State of New York, on behalf of itself and/or the principals of Champion Home Builders Co., and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") has requested that the Issuer provide financial assistance in connection with a certain industrial development facility consisting of a 171,000± square foot building (the "Improvements") situated on a 24± acre parcel of land located at 951 Route 12 South in the Town of Sangerfield, County of Oneida, New York (the "Land") (the Land and the Improvements referred to collectively as the "Facility"), all to be used for the manufacture of modular homes. The Facility will be initially owned, operated and/or managed by the Company.

The Issuer financed a portion of the costs of the Facility by way of its Variable Rate Demand Industrial Development Revenue Bonds issued on June 1, 1999 in the amount of \$6,820,000. The Issuer acquired fee title to the Land by way of a deed dated June 24, 1999. The Issuer leases the Facility to the Company pursuant to a Lease Agreement between the Issuer and the Company dated as of June 1, 1999. At the end of the lease term, the Company will purchase the Facility from the Issuer. The Issuer contemplates that it will provide financial assistance to the Company in the form of abatement of real property taxes for a period of five (5) years, which is a deviation from the Issuer's Uniform Tax Exemption Policy, to be more particularly described in a Final Authorizing Resolution to be adopted by the Issuer prior to the closing of the transactions described herein.

A representative of the Issuer will at the above-stated time and place hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance to the Company or the location or nature of the Facility. A copy of the Application for Financial Assistance filed by the Company with the Issuer, including an analysis of the costs and benefits of the proposed Project, is available for public inspection at the offices of the Issuer, 153 Brooks Road, Rome, New York.

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

Dated: August 5, 2009

By: /s/ Shawna M. Papale, Executive Director

EXHIBIT B

MINUTES OF PUBLIC HEARING
ON SEPTEMBER 9, 2009

Oneida County Industrial Development Agency
2009 PILOT Extension
(Champion Home Builders Co. Facility)

1. David C. Grow, Chairman of the Oneida County Industrial Development Agency (the "Issuer"), called the hearing to order.
2. The Chairman then appointed Shawna Papale, Secretary of the Issuer, to record the minutes of the hearing.
3. The Chairman then described the proposed amendment and restatement of the sale-leaseback transaction and the location and nature of the Facility to be financed as follows:

Champion Home Builders Co., Titan Homes Division, a Michigan corporation authorized to do business in the State of New York, on behalf of itself and/or the principals of Champion Home Builders Co., and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") has requested that the Issuer provide financial assistance in connection with a certain industrial development facility consisting of a 171,000± square foot building (the "Improvements") situated on a 24± acre parcel of land located at 951 Route 12 South in the Town of Sangerfield, County of Oneida, New York (the "Land") (the Land and the Improvements referred to collectively as the "Facility"), all to be used for the manufacture of modular homes. The Facility will be initially owned, operated and/or managed by the Company.

The Issuer financed a portion of the costs of the Facility by way of its Variable Rate Demand Industrial Development Revenue Bonds issued on June 1, 1999 in the amount of \$6,820,000. The Issuer acquired fee title to the Land by way of a deed dated June 24, 1999. The Issuer leases the Facility to the Company pursuant to a Lease Agreement between the Issuer and the Company dated as of June 1, 1999. At the end of the lease term, the Company will purchase the Facility from the Issuer. The Issuer contemplates that it will provide financial assistance to the Company in the form of abatement of real property taxes for a period of five (5) years, which is a deviation from the Issuer's Uniform Tax Exemption Policy, to be more particularly described in a Final Authorizing Resolution to be adopted by the Issuer prior to the closing of the transactions described herein.

A representative of the Issuer will at the above-stated time and place hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance to the Company or the location or nature of the Facility. A copy of the Application for Financial Assistance filed by the Company

STATE OF NEW YORK)
 : SS.:
COUNTY OF ONEIDA)

I, the undersigned Secretary of the Oneida County Industrial Development Agency, DO
HEREBY CERTIFY:

That I have compared the foregoing copy of the minutes of a public hearing held by the Oneida County Industrial Development Agency (the "Issuer") on September 9, 2009 at 9:00AM local time, at Sangerfield Town Hall, 1084 State Route 12, Town of Sangerfield, Oneida County, New York with the original thereof on file in the office of the Issuer, and that the same is a true and correct copy of the minutes in connection with such matter.

I FURTHER CERTIFY that (i) pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended, and Title 1 of Article 18-A of the New York General Municipal Law, said hearing was open to the general public, and public notice of the time and place of said hearing was duly given in accordance with such Section 147(f) and Title 1 of Article 18-A, (ii) the hearing in all respects was duly held, and (iii) members of the public had an opportunity to be heard.

IN WITNESS WHEREOF, I have hereunto set my hand as of _____.

Secretary