

AMENDED INDUCEMENT RESOLUTION:
Dairy One Cooperative, Inc.
(formerly known as Northeast Dairy Herd Improvement Association)
730 Warren Road, Village of Lansing (land owner)

A regular meeting of the Tompkins County Industrial Development Agency was convened on December 11, 2014 at 3:30 p.m.

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

Resolution authorizing the Tompkins County Industrial Development Agency to

(i) take a leasehold interest in real property consisting of:

(a) an approximately 3.26-acre parcel of land located at 730 Warren Road in the Village of Lansing, Tompkins County, New York, currently designated as Village of Lansing tax parcel numbers 46.-1-4.3 and 46.-1-1-3.7, and

(b) an adjoining approximately 6.74-acre parcel of vacant land currently designated as Village of Lansing tax parcel numbers 46.-1-1-4.2 and 46.-1-1-3.6,

(the "Land"), and improvements both already existing and to be constructed thereon;

(ii) appoint Dairy One Cooperative, Inc. as its agent to construct and equip thereon a new approximately 17,000-square-foot building, half of which is to be used as an expansion of Dairy One Cooperative, Inc.'s current milk lab activities and half of which is to be rented to Dairy Farmers of America, Inc. (d/b/a Chestnut Labs), a Missouri corporation, for its food testing, research and education activities, and the renovation of the existing approximately 30,000-square-foot building;

(iii) negotiate and execute a lease agreement, leaseback agreement and related payment-in-lieu-of-tax agreement;

(iv) provide financial assistance to Dairy One Cooperative, Inc. in the form of

(a) a sales tax exemption for purchases and rentals related to the acquisition, construction and equipping of the project,

(b) a partial real property tax abatement through the PILOT Agreement, and

(c) a mortgage tax exemption for the financing related to the project; and

(v) execute related documents.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and § 895-b of the General Municipal Law of the State of New York, as amended (hereinafter collectively called the "Act"), TOMPKINS 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 by the Act; and

WHEREAS, Dairy One Cooperative, Inc. (hereinafter called the "Company"), for itself or on behalf of an entity to be formed, desires to construct and equip on premises already owned by the Company on Warren Road in the Village of Lansing, Tompkins County, New York (consisting of Village of Lansing tax parcel numbers 46.-1-4.2, 46.-1-1-3.6) a new approximately 17,000-square-foot building, half of which is to be used as an expansion of Dairy One Cooperative, Inc.'s current milk lab activities and half of which is to be rented to Dairy Farmers of America, Inc. (d/b/a Chestnut Labs), a Missouri corporation, for its food testing, research and education activities, and to construct and equip the renovation of the existing approximately 33,555-square-foot building on premises already owned by the Company at 730 Warren Road (Village of Lansing tax parcel numbers 46.-1-4.3 and 46.-1-1-3.7) (all of which tax parcels are collectively hereinafter called the "Land," and all of which acquisition, construction, and equipping and the resulting improvements are hereinafter called the "Project"); 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:

- (i) designate the Company as its agent for the purpose of constructing, renovating, and equipping the Project,
- (ii) negotiate and enter into a lease agreement (the "Lease"), leaseback agreement (the "Leaseback Agreement") and payment-in-lieu-of-tax agreement (the "PILOT Agreement") with the Company,
- (iii) take a leasehold interest in the land and the improvements and personal property constituting the Project (once the Leaseback Agreement and PILOT 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;
 - (b) a partial real property tax abatement through the PILOT Agreement, and
 - (c) a mortgage tax exemption for the financing related to the Project; and

WHEREAS, pursuant to General Municipal Law Section 859-a, at 5:30 p.m. on November 13, 2013 at the Village Offices of the Village of Lansing, located in the Village of Lansing at 2405 North Triphammer Road, the Agency held a public hearing with respect to the Project and the proposed financial assistance being contemplated by the Agency (the "Public Hearing") whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views. A copy of the minutes of said Public Hearing is attached hereto as Exhibit A; and

WHEREAS, the Village of Lansing Planning Board on November 11, 2013 issued a negative declaration (the "SEQR Proceedings") under Article 8 of the Environmental Conservation Law and

Regulations adopted pursuant thereto by the Department of Environmental Conservation of the State (collectively, "SEQR") with respect to the Project. A copy of the negative declaration is attached hereto as Exhibit B; and

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT 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. It is desirable and in the public interest for the Agency to appoint the Company as its agent for purposes of acquiring, constructing and equipping the Project; 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 develop the Project, thereby increasing employment opportunities in Tompkins County and otherwise furthering the purposes of the Agency as set forth in the Act; and
- e. 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; and

Section 2. Based upon a review of the Company's application and the SEQR Proceedings submitted to the Agency, the Agency hereby:

- a. Consents to and affirms the status of the Village of Lansing Planning Board (the "Planning Board") as Lead Agency within the meaning of, and for all purposes of complying with, SEQR;
- b. Determines that the proceedings undertaken by the Planning Board as Lead Agency under SEQR with respect to the acquisition, construction and equipping of the Facility satisfy the requirements of SEQR, and ratifies and confirms such proceedings by the Planning Board as Lead Agency;
- c. Determines that all of the provisions of SEQR that are required to be complied with as a condition precedent to the approval of the financial assistance contemplated by the Agency

with respect to the Project and the participation by the Agency in undertaking the Project have been satisfied.

Section 3. Based upon the representations and warranties made by the Company in its application for financial assistance, the Agency hereby authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project and that would otherwise be subject to New York State and local sales and use tax in an amount up to **\$2,689,000.00**, which result in New York State and local sales and use tax exemption benefits ("sales and use tax exemption benefits") not to exceed **\$215,120.00**. The Agency agrees to consider any requests by the Company for increase to the amount of sales and use tax exemption benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services.

Section 4. Pursuant to Section 875(3) of the New York General Municipal Law, the Agency may recover or recapture from the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, any sales and use tax exemption benefits taken or purported to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, if it is determined that:

- a. the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, is not entitled to the sales and use tax exemption benefits;
- b. the sales and use tax exemption benefits are in excess of the amounts authorized to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project;
- c. the sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; or
- d. the sales and use tax exemption benefits are taken in cases where the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, fails to comply with a material term or condition to use property or services in the manner approved by the Agency in connection with the Project.
- e. As a condition precedent of receiving sales and use tax exemption benefits, the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, must
 - i. cooperate with the Agency in its efforts to recover or recapture any sales and use tax exemption benefits, and
 - ii. promptly pay over any such amounts to the Agency that the Agency demands.

Section 5. Subject to the Company executing the Agent Agreement attached hereto as Exhibit C, the Agency hereby authorizes the Company to proceed with the acquisition, construction and

Section 8. 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 9. These resolutions shall take effect immediately.

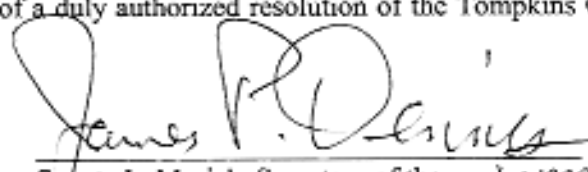
The question of the adoption of the foregoing resolutions was duly put to a vote by roll call, which resulted as follows:

<u>Member names</u>	<u>Yea</u>	<u>Nea</u>	<u>Abstain</u>	<u>Absent</u>
Jim Dennis, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Larry Baum	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Svante L. Myrick	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Will Burbank	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Nathan Shinagawa	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grace Chiang	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Martha Robertson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The resolutions were thereupon duly adopted.

I, Svante L. Myrick, as Secretary of the Tompkins County Industrial Development Agency, hereby certify that the above is a true and correct copy of a duly authorized resolution of the Tompkins County Industrial Development Agency.

Dated: December 11, 2014


~~Svante L. Myrick, Secretary of the~~ James P. Dennis, Chair
 Tompkins County Industrial Development Agency