

**APPROVING RESOLUTION
CASP, LLC**

A regular meeting of the Yates County Industrial Development Agency (the "Agency") met in special session at the offices of the Agency located at One Keuka Business Park in Penn Yan, Yates County, New York on May 16, 2007, at 8:00 o'clock a.m., local time.

The meeting was called to order by the Chairman and, upon roll being called, the following members of the Agency were:

PRESENT:

Jeff Gifford	Chairman
Taylor Fitch	Vice Chairman
Susan Andersen	Secretary
Dave Reeve	Treasurer
Jerry Hiller	Assistant Secretary/Treasurer
Jim McMullen	Member
Tim Trombley	Member

ABSENT:

None.

THE FOLLOWING PERSONS WERE ALSO PRESENT:

Doreen J. Jensen	Acting Executive Director
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The following resolution was offered by Jerry Hiller, seconded by Susan Andersen, to wit:

Resolution No. _____

**RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF
CERTAIN DOCUMENTS WITH RESPECT TO THE CASP, LLC PROJECT.**

WHEREAS, Yates County Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 113 of the 1975 Laws of New York, as amended, constituting Section 893-b of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job

opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more "projects" (as defined in the Act) or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, on July 22, 2003 (the "2003 Closing"), the Agency granted certain financial assistance to CASP, LLC (the "Company") to assist in financing a project (the "2003 Project") consisting of the following: (A) (1) the acquisition of an interest in a parcel of real estate described as Lot #11 and containing approximately 2.5 acres, located in the Horizon Business Park on Route 14A in the Village of Penn Yan, Yates County, New York (the "2003 Land"); (2) the construction on the Land of a building to contain approximately 20,000 square feet of space (the "2003 Facility"); and (3) the acquisition and installation of various machinery and equipment therein and thereon (the "2003 Equipment") (the 2003 Land, the 2003 Facility and the 2003 Equipment hereinafter referred to as the "2003 Project Facility"), all of the foregoing to constitute a facility to be operated by the Company for the processing of various low acid dairy products and related activities; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales taxes, real estate transfer taxes, mortgage recording taxes and real property taxes (collectively, the "Financial Assistance"); and (C) the lease of the 2003 Project Facility to the Company pursuant to a lease agreement dated as of July 1, 2003, by and between the Company and the Agency (the "2003 Lease Agreement"); and

WHEREAS, on August 4, 2005 (the "2005 Closing"), the Agency granted certain financial assistance to the Company to assist in financing a project (the "2005 Project") consisting of the following: (A) (1) the acquisition of a parcel of real estate (the "New Parcel") containing approximately 0.85 acres and located adjacent to Lot #11 in the Horizon Business Park on Route 14A in the Village of Penn Yan, Yates County, New York (the "Existing Parcel")(the New Parcel and the Existing Parcel hereinafter collectively referred to as the "2005 Land"); (2) the construction on the Land of an addition containing approximately 8,500 square feet of space (the "2005 Addition") to the existing approximately 20,000 square foot facility located on the Land (the "2005 Existing Facility") (the 2005 Addition and the 2005 Existing Facility hereinafter collectively referred to as the "2005 Facility"); and (3) the acquisition and installation of various machinery and equipment therein and thereon (the "2005 Equipment") (the 2005 Land, the 2005 Facility and the 2005 Equipment hereinafter collectively referred to as the "2005 Project Facility"), all of the foregoing to constitute a facility to be operated by the Company for the processing of various low acid dairy products and related activities; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including exemption from certain sales taxes, deed transfer taxes, mortgage recording taxes and real property taxes (the "Financial Assistance"); and (C) the lease of the 2005 Project Facility to the Company pursuant to a lease agreement dated as of July 1, 2005, by and between the Company and the Agency (the "2005 Lease Agreement"); and

WHEREAS, on December 15, 2006, the Company presented an application (the "Application"), to the Agency, requesting that the Agency consider undertaking a project (the "2007 Project") consisting of the following: (A) (1) the acquisition of an interest in a parcel of land located at 105 Horizon Park Drive, in the Village of Penn Yan, Yates County, New York (the "2007 Land" and together with the 2003 Land and the 2005 Land, hereinafter collectively referred to as the "Land"), (2) the renovation of a portion or portions of the existing building located on the 2007 Land containing, in the aggregate, approximately 30,000 square feet of space (the "2007 Existing Facility"), (3) the construction of an addition to the 2007 Existing Facility constituting an additional 11,776 square feet of space (the "2007 Addition") (the 2007 Existing Facility and the 2007 Addition hereinafter collectively referred to as the "2007 Facility"), (4) the acquisition and installation thereon and therein of various machinery and equipment (the "2007 Equipment") (the 2007 Land, the 2007 Facility and the 2007 Equipment hereinafter collectively referred to as the "2007 Project Facility" and together with the 2003 Project Facility and the 2005 Project Facility, being collectively referred to as the "Project Facility"), all of the foregoing to constitute an expansion and improvement of the existing dairy food products facility and storage area, such facility to be owned and operated by the Company as facilities for the creation and storage of dairy products and other directly and indirectly related activities; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real estate transfer taxes, mortgage recording taxes and real property taxes (the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, pursuant to the Application, the Company has requested that the Agency amend and restate the terms of the 2003 Lease Agreement and the 2005 Lease Agreement so that the 2003 Project Facility and the 2005 Project Facility are leased to the Company pursuant to the terms of the 2007 Lease Agreement; and

WHEREAS, pursuant to a resolution adopted by the Agency on December 20, 2006, (the "Public Hearing Resolution"), the Executive Director of the Agency (A) caused notice of a public hearing of the Agency pursuant to Section 859-a of the Act (the "Public Hearing") to hear all persons interested in the Project and the Financial Assistance being contemplated by the Agency with respect to the Project, to be mailed on January 8, 2006 to the chief executive officers of the county and of each city, town, village and school district in which the Project is to be located, (B) caused notice of the Public Hearing to be published on January 10, 2007 in The Chronicle-Express, a newspaper of general circulation available to the residents of the Village of Penn Yann, (C) conducted the Public Hearing on February 16, 2007, at 10:00 o'clock a.m., local time at the offices of the Town of Milo, located at 137 Main Street in the Village of Penn Yann, Yates County, New York, and (D) prepared a report of the Public Hearing (the "Report") which fairly summarized the views presented at said public hearing and distributed same to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act"), and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (the "Regulations", and collectively with the SEQR Act, "SEQRA"), by resolution adopted

by the members of the Agency on February 28, 2007 (the "SEQR Resolution"), the Agency determined that the Project constitutes an "unlisted action" that will not have a "significant effect on the environment" pursuant to SEQRA and, accordingly, that no environmental impact statement need be prepared with respect to the Project (as such quoted terms are defined in SEQRA); and

WHEREAS, (A) the Agency's Uniform Tax Exemption Policy (the "Policy") provides a standardized method for the determination of payments in lieu of taxes for a facility similar to the Project Facility; (B) in connection with the Application, the Company made a request to the Agency (the "Pilot Request") that the Agency deviate from the Policy with respect to Project Facility; (C) by resolution adopted by the members of the Agency on February 28, 2007 (the "Pilot Deviation Notice Resolution"), the members of the Agency authorized the Agency Staff to send a notice to the chief executive officers of the "affected tax jurisdictions" (within the meaning of such quoted term in Section 854(16) of the Act) (the "Affected Tax Jurisdictions") pursuant to Section 874(4) of the Act, informing said individuals that the Agency had received the Pilot Request and that the members of the Agency would consider said request at a special meeting of the members of the Agency to be held on May 16, 2007; (D) pursuant to the Pilot Deviation Notice Resolution, the Executive Director of the Agency caused a letter dated April 16, 2007 (the "Pilot Deviation Notice Letter") to be mailed to the chief executive offices of the Affected Tax Jurisdictions, informing said individuals that the Agency would, at a special meeting on May 16, 2007, consider a proposed deviation from the Policy with respect to the payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility (the "Payment in Lieu of Tax Agreement") and the reasons for said proposed deviation; and (E) by resolution adopted by the members of the Agency on May 16, 2007 (the "Pilot Deviation Resolution"), the members of the Agency determined to deviate from the Policy with respect to the Project and approved a proposed deviation from the Policy with respect to the terms of the Payment in Lieu of Tax Agreement to be entered into by the Agency with respect to the Project Facility; and

WHEREAS, the Agency desires to encourage the Company to preserve and advance the job opportunities, health, general prosperity and economic welfare of the people of Yates County, New York by undertaking the Project in Yates County, New York; and

WHEREAS, in order to consummate the Project and the granting of the Financial Assistance described in the notice of the Public Hearing, the Agency proposes to enter into the following documents (hereinafter collectively referred to as the "Agency Documents"): (A) a certain lease to Agency (the "Underlying Lease") by and between the Company, as landlord, and the Agency, as tenant pursuant to which the Company will lease to the Agency the Land and all improvements now or hereafter located on the Land (collectively, the "Premises"); (B) an amended and restated lease agreement (and a memorandum thereof) (the "2007 Lease Agreement") by and between the Agency and the Company, pursuant to which, among other things, the Agency agrees to (1) amend and restate the terms of the 2003 Lease Agreement and the 2005 Lease Agreement, and (2) lease the 2003 Project Facility and the 2005 Project Facility to the Company pursuant to the terms of the 2007 Lease Agreement. The Company agrees to undertake the Project as agent of the Agency and to lease the Project Facility from the Agency pursuant to the terms of the 2007 Lease Agreement, and, as rental thereunder, to pay the

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

I, the undersigned (Assistant) Secretary of Yates County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the resolution contained therein, held on May 16, 2007, with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Agency and of such resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present through 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 rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 16 day of May, 2007.

Susan K. Andersen
(Assistant) Secretary

(SEAL)