

**RESOLUTION AUTHORIZING AMENDMENT TO BASIC DOCUMENTS
OAK HILL BULK FOODS, INC. PROJECT**

A regular meeting of Yates County Industrial Development Agency (the "Agency") was convened in public session at the Agency's office located at One Keuka Business Park, Penn Yan, New York on March 21, 2012 at 8:00 o'clock a.m., local time.

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

PRESENT:

Kevin Bailey	Chairman
Jim Long	Vice Chairman
Robert Corcoran	Treasurer
Craig Densmore	Secretary
Michael Briggs	Member
Tim Dennis	Member
Mary Zelazny	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Steve Griffin	Chief Executive Officer
Doreen J. Jensen	Chief Financial Officer

The following resolution was offered by Tim Dennis, seconded by Mike Briggs, to wit:

Resolution No. _____

RESOLUTION AUTHORIZING THE EXECUTION BY YATES COUNTY INDUSTRIAL DEVELOPMENT AGENCY OF A CERTAIN MODIFICATION AGREEMENT IN CONNECTION WITH THE OAK HILL BULK FOODS, INC. 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 commercial 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 and install one or more "projects" (as defined in the Act) or to cause said projects to be acquired, constructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, on July 2, 2009 (the "Closing"), the Agency undertook the following project (the "Project") for the benefit of Oak Hill Bulk Foods, Inc. (the "Company") consisting of the following: (A) (1) the acquisition of an interest in an approximately 3.50 acre parcel of land located at 3173 Route 14A in the Town of Milo, Yates County, New York (the "Land") on which land is located an approximately 3,344 square foot building (the "Existing Facility"), (2) the construction of an approximately 3,600 square foot addition to the Existing Facility (the "Addition") (the Existing Facility and the Addition hereinafter collectively referred to as the "Facility") and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment"), all of the foregoing to constitute the expansion of an existing retail and packaging facility and related activities to be owned and operated by the Company (the Land, the Facility and the Equipment being collectively referred to as the "Project Facility"); (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 property taxes, real property transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease of the Project Facility to the Company pursuant to the terms of a lease agreement dated as of June 1, 2009 (the "Lease Agreement") between the Agency and the Company; and

WHEREAS, simultaneously with the Closing, (A) the Company executed and delivered to the Agency (1) a certain lease to agency dated as of June 1, 2009 (the "Underlying Lease") by and between the Company, as landlord and the Agency, as tenant, pursuant to which the Company leased to the Agency the Land and all improvements now or hereafter located on the land (collectively, the "Premises") for a lease term ending on December 31, 2021, and (2) a bill of sale dated as of June 1, 2009 (the "Bill of Sale to Agency"), which conveyed to the Agency all right, title and interest of the Company in the Equipment, (B) the Company and the Agency executed and delivered a payment in lieu of tax agreement dated as of June 1, 2009 (the "Payment in Lieu of Tax Agreement") by and between the Agency and the Company, pursuant to which the Company agreed to pay certain payments in lieu of taxes with respect to the Project Facility, (C) the Agency filed with the assessor and mailed to the chief executive officer of each "affected tax jurisdiction" (within the meaning of such quoted term in Section 854(16) of the Act) a copy of a New York State Board of Real Property Services Form 412-a (the form required to be filed by the Agency in order for the Agency to obtain a real property tax exemption with respect to the Project Facility under Section 412-a of the Real Property Tax Law) (the "Real Property Tax Exemption Form") relating to the Project Facility, (D) the Agency executed and delivered to the Company a sales tax exemption letter (the "Sales Tax Exemption Letter") to ensure the granting of the sales tax exemption which forms a part of the Financial Assistance and (E) the Agency filed with the New York State Department of Taxation and Finance the form entitled "IDA Appointment of Project Operator or Agent for Sales Tax Purposes" (the form required to be filed pursuant to Section 874(9) of the Act) (the "Thirty-Day Sales Tax Report") (collectively, with the Lease Agreement, the Underlying Lease and the Bill of Sale to Agency, the "Basic Documents"); and

WHEREAS, on February 21, 2012, the Company submitted an application (the "New Application") to the Agency which New Application requested that the Agency consider modifying the terms of the Basic Documents (the "Modification"), so as to amend the description of the Project to include the capital project (the "Additional Project") described on Schedule A attached and thereby permit the extension of the Financial Assistance to the Additional Project; and

WHEREAS, in connection with the Modification, the Company has requested that the Agency enter into (A) a certain modification agreement dated as of March 1, 2012 (the "Modification Agreement"), by and between the Company and the Agency, to modify and amend the Basic Documents

in order to provide for the undertaking of the Additional Project, and (B) a certain payment in lieu of tax agreement dated as of March 1, 2012 (the "PILOT Agreement") by and between the Agency and the Company, to provide for the payment by the Company of payments in lieu of taxes relating to the Additional Project; 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 (the "Regulations") adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, "SEQRA"), by resolution adopted by the members of the Agency on March 21, 2012 (the "SEQR Resolution"), the Agency determined (A) that the Additional Project constituted an "Unlisted Action" under SEQRA, (B) that the Additional Project would not have a "significant effect on the environment" pursuant to SEQRA and, therefore, that no environmental impact statement need be prepared with respect to the Additional Project, and (C) as a consequence of the foregoing, to prepare a negative declaration with respect to the Additional Project; and

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF YATES COUNTY INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. 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;

(B) The Additional Project constitutes a "project," as such term is defined in the Act;

(C) The Additional Project site is located entirely within the boundaries of Yates County, New York;

(D) It is estimated at the present time that the costs of the planning and undertaking of the Additional Project (collectively, the "Project Costs") will be approximately \$115,000;

(E) The completion of the Additional Project will not result in the removal of a plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State of New York to another area of the State of New York or in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State of New York;

(F) The Agency is not required under the Act to hold a public hearing with respect to the Additional Project as the amount of financial assistance relating to the Additional Project is less than \$100,000;

(G) The granting of the Financial Assistance by the Agency with respect to the Additional Project will promote and maintain the job opportunities, general prosperity and economic welfare of the citizens of Yates County, New York and the State of New York and improve their standard of living, and thereby serve the public purposes of the Act; and

(H) It is desirable and in the public interest for the Agency to enter into the Modification Agreement and the PILOT Agreement (collectively, the "Additional Project Documents").

Section 2. The Agency hereby determines to enter into the Additional Project Documents.

Section 3. The form and substance of the Additional Project Documents are hereby approved.

Section 4. The Chairman (or Vice Chairman) of the Agency is hereby authorized to execute and deliver the Additional Project Documents to the Company, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in substantially the form thereof presented to this meeting, with such changes, variations, omissions and insertions as the Chairman (or Vice Chairman) shall approve, the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

Section 5. 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 or provided for by the provisions of the Additional Project Documents, and to execute and deliver all such additional 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 Resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Additional Project Documents binding upon the Agency.

Section 6. This Resolution 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:

Kevin T. Bailey	VOTING	<u>Yes</u>
James Long	VOTING	<u>Yes</u>
Craig E. Densmore	VOTING	<u>Yes</u>
Robert Corcoran	VOTING	<u>Yes</u>
Michael Briggs	VOTING	<u>Yes</u>
Tim Dennis	VOTING	<u>Yes</u>
Mary Ann Zelazny	VOTING	<u>Yes</u>

The foregoing Resolution was thereupon declared duly adopted.

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 March 21, 2012 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of the whole of such proceedings of the Agency and of such Resolution set forth therein 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 duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout 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 21st day of March, 2012.

Craig Edensmore
(Assistant) Secretary

(SEAL)

SCHEDULE A

MODIFICATIONS TO PROJECT DESCRIPTION

(A) (1) The construction of an approximately 3,000 square foot addition (the "Addition") to the existing facility containing approximately 8,000 square feet of space (the "Existing Facility") (the Existing Facility and the Addition hereinafter collectively referred to as the "Facility") located on an approximately 3.50 acre parcel of land located at 3173 Route 14A in the Town of Milo, Yates County, New York (the "Land") (the Land, the Facility and the Equipment being collectively referred to as the "Project Facility"), and (2) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment"), all of the foregoing to constitute the expansion of an existing retail and packaging facility and related activities to be owned and operated by the Company.