

## NOTICE OF PUBLIC HEARING ON PROPOSED FINANCING

DAIRY ONE COOPERATIVE, INC. and

DAIRY FARMERS OF AMERICA, INC. d/b/a CHESTNUT LABS

NOTICE IS HEREBY GIVEN that a public hearing pursuant to §859-a of the New York General Municipal Law will be held by the Tompkins County Industrial Development Agency (the "IDA") on the 13th day of November, 2013, at 5:30 PM local time, at the Village of Lansing Offices, 2405 N. Triphammer Road, Ithaca, New York, in connection with the following matter:

Dairy One Cooperative, Inc. (the "Company"), a New York State Corporation (formerly known as Northeast Dairy Herd Improvement Association) its successors or designees, has requested that the IDA provide financial assistance to renovate an existing facility located at 730 Warren Road in the Village of Lansing, County of Tompkins and State of New York (Village of Lansing tax parcel numbers 46.-1-1-4.3 and 46.-1-3.7) and construct a new 17,000 square-foot facility on property located on Warren Road in the Village of Lansing, County of Tompkins and State of New York (Village of Lansing tax parcel numbers 46.-1-1-4.2 and 46.-1-1-3.6) (collectively, the "Facility"). A portion of the Facility will be leased to Dairy Farmers of America, Inc., a Missouri corporation doing business as Chestnut Labs ("Chestnut Labs"). The renovation, construction and lease referred to above are collectively referred to as "the Project".

The financial assistance contemplated by the IDA will consist generally of exemption from taxation expected to be claimed by the Company as a result of the Issuer taking title to, possession or control (by lease, license or otherwise) of the Facility, or of the Company acting as an agent of the Issuer, consisting of : (a) exemption from state and local sales and use tax with respect to the qualifying personal property portion of the Facility; (b) exemption from real estate transfer tax with respect to the transfer of the Facilities of any portion thereof to the IDA; (c) exemption from mortgage recording tax with respect to any qualifying mortgage on the Facilities, and (d) exemption from general real property taxation with respect to the Facility, which exemption shall be offset, in whole or in part, by contractual payments in lieu of taxes by the Company for the benefit of tax affected jurisdictions. The proposed exemption from real property taxation does not deviate from the IDA's Uniform Tax Exemption Policy. In addition, the financial assistance to Chestnut Labs will consist generally of exemption from state and local sales and use tax with respect to the qualifying personal property portion of the Facility and Project.

In accordance with §875(3) of the New York General Municipal Law, and if the Company's and Chestnut Labs' applications are approved, any New York State and local sales and use tax exemption claimed by the Company and/or Chestnut Labs and approved by the Agency in connection with the above-described Project may be subject to recapture by the Agency under the terms and conditions set forth in §875(3) and as will be set forth in the Agent Agreements to be entered into by and between the Agency and the Company, and the Agency and Chestnut Labs. Members of the public are invited to review the project applications containing an analysis of the costs and benefits of the proposed Project at the offices of TCAD (401 E State Street, Suite 402B, Ithaca, New York) during regular business hours.

The IDA will, at the above-stated time and place, hear all persons with views in favor of or opposed to either the location or nature of the Project, or the proposed financial assistance being contemplated by the IDA. In addition, at, or prior to, such hearing, interested parties may submit to the IDA written materials pertaining to such matters.

A report of the hearing will be made available to the Tompkins County Industrial Development Agency Board of Directors. Approval of the financing by the IDA through its Board of Directors is necessary.

Dated: November 1, 2013

TOMPKINS COUNTY

INDUSTRIAL DEVELOPMENT AGENCY