

CARGILL, INCORPORATED, LEASED FACILITIES
AGREEMENT FOR PAYMENT IN LIEU OF TAXES

THIS CARGILL, INCORPORATED, LEASED FACILITIES AGREEMENT FOR PAYMENT IN LIEU OF TAXES ("Agreement"), made to be effective as of the 1st day of September, 1992 ("Effective Date"), is by and between Cargill, Incorporated, a corporation duly organized and existing under the laws of the State of Delaware, having its principal office in Minnetonka, Minnesota (the "Corporation"), and the Schuyler County Industrial Development Agency, a corporate governmental agency with offices at 208 Broadway Street, Montour Falls, New York 14895 (the "Agency").

W I T N E S S E T H:

WHEREAS, the Corporation conducts the business of producing, packaging and distributing salt products at its facilities located in the Village of Watkins Glen, Town of Dix, Schuyler County, State of New York; and

WHEREAS, the Agency, pursuant to Article 18A of the New York General Municipal Law and Chapter 21 of the Laws of 1971 of the State of New York (collectively the "Act"), issued its bonds in the aggregate principal amount of \$4,300,000 on April 27, 1982, and as of October 1 of 1982, and used the proceeds thereof to finance the rehabilitation and improvement of certain

industrial development facilities located on that certain parcel of real property in the Village of Watkins Glen, New York, more precisely described in Exhibit A attached hereto and made a part hereof, which facilities consist of those utilized in connection with the Corporation's salt production, packaging and distribution operations (said parcel and all improvements thereon being hereinafter collectively referred to as the "Leased Facilities"); and

WHEREAS, as of October 1, 1982, the Agency acquired title to the Leased Facilities; and

WHEREAS, as of October 1, 1982, the Agency leased the Leased Facilities to the Corporation for a period of up to 40 years; and

WHEREAS, pursuant to Section 874 (1) of the Act, the Agency is exempt from the payment of taxes imposed upon real property and improvements owned by it; and

WHEREAS, the Agency has the authority and power to act on behalf of the County of Schuyler ("County"), the Town of Dix ("Town"), the Village of Watkins Glen ("Village") and the Watkins Glen Central School District ("District"); and

WHEREAS, there is currently in effect a certain agreement entitled "Cargill, Incorporated, Leased Facilities Agreement for Payment in Lieu of Taxes" (hereinafter referred to as the "Old Agreement"), dated October 1, 1982, among the Corporation, Agency, County, Town, Village and District; and

WHEREAS, the Agency deems it necessary and proper on behalf of the County, Town, Village and District to enter into this Agreement which shall supersede the Old Agreement and provide for a new provision for payments in lieu of taxes by the Corporation to the County, Town, Village and District.

NOW, THEREFORE, in consideration of the covenants herein contained, it is mutually agreed as follows:

1. (a) As long as the Leased Facilities are owned by the Agency and, except as hereinafter provided, are subject to the lease to the Corporation, the Corporation agrees to pay annually to the County, Town, Village and District an amount which equals the Stipulated Value of the Leased Facilities, as defined below, times the applicable current ad valorem tax rate for the County, Town, Village, and District, respectively, as payments in lieu of ad valorem taxes, including the amount of any special assessments, service charges, special ad valorem levies or similar tax equivalents. For purposes of this Agreement, the Stipulated Value of the Leased Premises shall equal Seven Million Three Hundred Twenty Five Thousand and No/100 Dollars (\$7,325,000.00); provided, however, that until such time as the Village adopts the Assessment Role of the Town of Dix, the Stipulated Value of the Leased Premises for the Village shall equal One Million Six Hundred Forty-Four Thousand One Hundred and No/100 Dollars (\$1,644,100.00). The Stipulated Value shall not be subject to change except as set forth in Section 2 below or by mutual written agreement of the

Corporation and Agency. Notwithstanding the foregoing, in the event the Agency and Corporation extend the term of the lease of the Leased Facilities beyond the original 40 year term, Agency shall have the option to renegotiate the payment in lieu of taxes for such extended term. During the term of this Agreement, the Corporation shall not be subject to any other assessment for ad valorem taxes, levies or charges by the County, Town, Village or District on the Leased Facilities.

(b) The Corporation shall pay to the County, Town, Village and District within the grace period normally applicable to taxes, without penalty and after due written notice to be provided respectively by the County, Town, Village and District, the amounts as calculated pursuant to Paragraph 1(a) hereof.

(c) Late payment penalties shall be paid respectively to the County, Town, Village and District by the Corporation on any amount unpaid after the applicable grace period at the same rate and for the same time period as late payment penalties for taxes for the respective taxing authorities, except that if the Corporation fails to pay all or any part of the amounts due hereunder for a period of three (3) months after issuance of a notice or statement for payment by any taxing authority as provided in Paragraph 1(b) above, the late payment penalty shall thereafter be calculated on a per diem basis at a per annum rate which shall be the "reference rate." "Reference Rate" shall be defined to mean the reference rate of interest of First Bank, National Association, located in Minneapolis, Minnesota, as the

same may be adjusted from time to time, for commercial loans to its creditworthy corporate customers for terms of 90 days or less until fully paid.

2. In the event that on or after the Effective Date any structural addition shall be made to the building or buildings included in the Leased Facilities, or any additional building or improvement shall be constructed on the real property described on Exhibit A (such structural additions, buildings and improvements being referred to hereinafter as "Additional Facilities"), the Corporation may be subject to increases in the Stipulated Value with respect to such Additional Facilities by an amount which could have been imposed if the Leased Facilities were titled in the name of the Corporation, and not in the name of the Agency, but any rights the Corporation would be entitled to for reduced assessment under Sections 485 or 485-b of the New York State Real Property Tax Law, or any other exemption under any other governing law shall be preserved to the Corporation and, if applicable, shall operate to decrease the Stipulated Value accordingly. In no case will the Corporation pay more under this Agreement than it would have had to pay in taxes in the event the Leased Facilities were titled in the name of the Corporation.

3. This Agreement shall not be binding upon, nor inure to the benefit of, any of the parties hereto, unless and until fully executed by all the parties as signatories hereto.

4. Immediately upon full execution of this Agreement, by all the parties hereto, the Old Agreement shall terminate as

of the effective date of this Agreement. The Old Agreement shall then cease to have any force and effect, and the Corporation will be released from its obligations thereunder.

5. This Agreement shall be governed by the laws of the State of New York, and any litigation pursuant to this Agreement shall be maintained in Schuyler County, New York.

6. To the extent the Leased Facilities lose their tax exempt status under Article 18A of the General Municipal Law in whole or in part and are declared to be subject to any tax, service charge, special ad valorem levy, special assessment or similar tax equivalents by an amendment to the Act, other legislative change, action by the County, Town, Village or District or by final judgment of the Court of competent jurisdiction, the obligations of the Corporation under this Agreement shall, to such extent, terminate. In such event the Corporation shall indemnify and hold the Agency harmless from any tax, service charge, special ad valorem levy, special assessment or similar tax equivalents levied against the Agency with respect to the Leased Facilities.

7. Failure by the Agency to insist upon the strict performance of any one or more of the obligations of the Corporation under this Agreement, or to exercise any election herein contained, shall in no manner be or be deemed to be a waiver by the Agency of any of the Corporation's defaults or breaches hereunder or of any of the rights and remedies of the Agency by reason of such defaults or breaches, or a waiver or

relinquishment for the future of the requirement of strict performance of any and all of the Corporation's obligations hereunder. Further, no payment by the Corporation or receipt by any taxing authority of a lesser amount than the correct amount or manner of payment due hereunder shall be deemed to be other than a payment on account, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed to effect or evidence an accord and satisfaction, and any taxing authority may accept any checks or payments made without prejudice to the right to recover the balance or pursue any other remedy in this Agreement or otherwise provided at law or equity.

8. The Agency warrants and represents that it has the requisite power and authority to execute, deliver and perform its obligations under this Agreement on behalf of itself as well as on behalf of the County, Town, Village and District. The Agency further warrants and represents that the execution of this Agreement has been duly authorized and approved by all necessary government action as well as by action of the County, Town, Village and District.

9. In addition to any rights and remedies otherwise provided herein or otherwise provided by law, each taxing authority shall have the right to compel specific performance of the obligations of the Corporation relating to such taxing authority, and the Agency, on behalf of each taxing authority, shall have the right (but not the obligation) to compel specific

performance of the obligations of the Corporation relating to any taxing authority in the event of a breach of this Agreement thereof and, in the alternative, pursue a cause of action for damages for any such breach. The late payment penalty provided in Paragraph 1(c) shall continue to accrue and be due and owing until full payment is made. Each taxing authority or the Agency may proceed independently of the other taxing authorities. The Agency may, if it so elects, become a party to any legal proceeding brought by or against any taxing authority or the Agency under this Agreement or under the New York Real Property Tax Law. In addition, in the event any proceeding is maintained or any other action or conduct is taken by any taxing authority or the Agency to collect any amounts due but not paid as provided herein, the Corporation shall pay to such taxing authority or the Agency all costs and expenses involved in maintaining any such proceeding or taking any such action or conduct, including without limitation, reasonable attorneys' fees.

10. This Agreement shall become effective on September 1, 1992, and the Agency shall obligate the Corporation to make all of the payments to each of the taxing authorities herein named and perform each and every one of its other obligations to each of the taxing authorities herein named; and in that connection, the execution of this Agreement by the Agency and the Corporation is intended to confer upon each taxing authority the benefits herein provided for. Furthermore, the Agency has the right (but not the obligation),

in its sole discretion, to take any action and to enforce any right with respect to any obligation of the Corporation.

11. All notices required hereunder shall be in writing, sent by regular mail to the parties listed herein and be effective upon receipt:

Corporation: Cargill, Incorporated
Attention: Manager
518 E. 4th Street
Watkins Glen, New York 14891

Agency: Schuyler County Industrial
Development Agency
Attention: Chairman
208 Broadway Street
Montour Falls, New York 14865

Copy to: Schuyler County Industrial
Development Agency
Attention: Executive Director
208 Broadway Street
Montour Falls, New York 14865

12. This Agreement may be modified only in writing consented to by all parties hereto, and any consent shall not be unreasonably withheld.

13. The Corporation may assign its rights, privileges and obligations under this Agreement to any assignee or successor in interest under a certain Lease Agreement between the Agency and the Corporation dated as of October 1, 1982, covering the Leased Facilities, provided such assignee or successor in interest agrees in writing, with due acknowledgment of the execution, thereof, to be bound to and obligated to perform all the terms, covenants and provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the ____ day of September, 1993.

CARGILL, INCORPORATED

SCHUYLER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By: [Signature]
Title: CONTROLLER - SALT DIV

By: J. Robert Kelchner
By: VICE CHAIR - SCIDA

TOWN OF DIX

SCHUYLER COUNTY ^{APPROVED 10/5/93}
^{SCH. CO. ATTY}
[Signature]

By: Frank D. Haning
Title: Town of Dix Supervisor

By: Angeline B. Franzer
Title: Schuyler Co. Chairman

VILLAGE OF WATKINS GLEN

WATKINS GLEN CENTRAL SCHOOLS

By: Robert H. Lee
Title: Mayor

By: Don R. Hany
Title: President - Board of Education

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

On this 4th day of October, 1993, before me the subscriber, personally appeared ROBERT H. Lee, to me known, who being by me duly sworn, did depose and say, that he resides at in WATKINS GLEN, New York, and is the Mayor of the Village of Watkins Glen, one of the principals in the foregoing document and which executed the above instrument; that he knows the seal of said entity, that the seal affixed to said instrument is sup entity's seal; that it was so affixed by order of said entity, and that he signed his name thereto by like order.

Jean W. Kosty
Notary Public

JEAN W. KOSTY
Notary Public, State of New York
Schuyler County No. 463226
My Commission Expires 6/30/93

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

On this 4th day of October, 1993, before me the subscriber, personally appeared Linn R. Henry, to me known, who being by me duly sworn, did depose and say, that he resides at in Town of Hector, New York, and is the President of the Board of Education, one of the principals in the foregoing document and which executed the above instrument; that he knows the seal of said entity, that the seal affixed to said instrument is sup entity's seal; that it was so affixed by order of said entity, and that he signed his name thereto by like order.

Naomi C. Kingsley
Notary Public

NAOMI C. KINGSLEY
Notary Public, State of New York
No. 4997015
Qualified in Schuyler County
Commission Expires May 26, 1994

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

On this 5th day of October, 1993, before me the subscriber, personally appeared Frank D. Gorman, to me known, who being by me duly sworn, did depose and say, that he resides at in Town of Dix, New York, and is the Supervisor of the Town of Dix, one of the principals in the foregoing document and which executed the above instrument; that he knows the seal of said entity, that the seal affixed to said instrument is sup entity's seal; that it was so affixed by order of said entity, and that he signed his name thereto by like order.

Naomi C. Kingsley
Notary Public

NAOMI C. KINGSLEY
Notary Public, State of New York
No. 4997015
Qualified in Schuyler County
Commission Expires May 26, 1994

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

On the 12th day of October, 1993, before me personally appeared Angeline B. Franzese, to me known, who, being by me duly sworn, did depose and say that she resides in Watkins Glen, New York; that she is the Chairman of the Schuyler County Legislature, the municipal corporation described in, and which executed the above instrument; that she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of said County Legislature, and that she signed her name thereto by like order.

Gail M. Willis
Notary Public

GAIL M WILLIS
Notary Public, State of New York
No. 5010520
Qualified in Schuyler County
Commission Expires March 29, 1995

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

On the 14th day of October, 1993, before me personally appeared J. Robert Kalchner, to me known, who, being by me duly sworn, did depose and say that (s)he resides in Montauk Falls, New York; that (s)he is the Vice Chair-SCIDA, the municipal corporation described in, and which executed the above instrument; that (s)he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of said County Legislature, and that (s)he signed her name thereto by like order.

Amy L. Lakomy
Notary Public

AMY L LAKOMY
Notary Public, State of New York
No 4903052
Qualified in Schuyler County
Commission Expires 10/13/95

