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STATE OF NEW YORK
EXECUTIVE DEPARTMENT
OFFICE OF GENERAL SERVICES

In the Matter of The Application of
Cargill, Inc. for a Modification and
Extension of the Permit to Remove
Salt from State Owned Lands Under
the Waters of Cayuga Lake

Consent
Order

WHEREAS, on June 20, 1938, the Board of Commissioners of the Land Office of the State of New York, the predecessor to the Office of General Services of the State of New York, pursuant to Article 7, §84 of the Public Lands Law, granted consent to enter upon and mine rock salt in the lands of the State of New York under Cayuga Lake in the Towns of Lansing and Ulysses, Tompkins County, New York, to the Cayuga Rock Salt Company, Inc., a copy of which Resolution is attached hereto and made a part hereof as Exhibit "A"; and

WHEREAS, Cargill, Inc. became the successor in interest to Cayuga Rock Salt Company, Inc., and upon application received permission for the assignment to it of all of the rights and privileges granted to Cayuga Rock Salt Company, Inc. by Exhibit A, by a permit granted by the Office of General Services on the 5th day of April, 1974, a copy of which permit is attached hereto as Exhibit "B"; and

WHEREAS, Cargill, Inc. has petitioned the Commissioner of General Services for renewal of said right to enter upon State land and to mine salt, pursuant to Article 7, §84 of the Public Lands Law; and

STATE OF NEW YORK
DEPARTMENT OF STATE

MAR 24 1986

Secretary of State

ALER & THALER
ATTORNEYS
& COUNSELORS
NORTH TIOGA ST.
IACCA, NEW YORK

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WHEREAS, the terms of a consent renewal, including the perimeters of the property involved and the royalty to be paid to the State, have been mutually agreed upon between the parties hereto;

NOW THEREFORE, it is hereby

ORDERED that, pursuant to the provisions of Article 7, §84 of the Public Lands Law, and in consideration of the Agreement of Royalties, as provided in §81 of the Public Lands Law, and upon the terms and conditions as hereinafter set forth, the consent of the Commissioner of General Services on behalf of THE PEOPLE OF THE STATE OF NEW YORK, hereinafter referred to as "Grantor", is hereby given to CARGILL, INC., a Delaware Corporation authorized to do business in the State of New York, having an office and place of business at the Town of Lansing, Tompkins County, New York 14882, hereinafter referred to as "Grantee", to enter upon and mine rock salt in the State owned lands under the waters of Cayuga Lake, in the Towns of Lansing and Ulysses, Tompkins County, between and adjacent to lands owned or controlled by the Grantee on both sides of Cayuga Lake, and extending to the north and south as hereinafter described, more particularly bounded and described as follows:

ALL THAT TRACT OR PARCEL OF LAND under Cayuga Lake bounded by the low water line of Cayuga Lake on the east and the west beginning at a point in the east low water line of said lake at the southwest corner of lands of the Grantee,

said point being 1,000 feet, more or less, southeast of the intersection of Gulf Creek (formerly Schurter Creek) and the east low water line of Cayuga Lake; said point being also in the southeast projection of Portland Point; thence southeasterly 7,500 feet, more or less, along the east low water line of Cayuga Lake to a point; thence southwesterly 6,800 feet, more or less, perpendicular to the east low water mark of Cayuga Lake to a point in the low water mark on the west shore of Cayuga Lake, which point is 2,000 feet, more or less, southeasterly of Maple Point; thence northerly and northwesterly 21,400 feet, more or less, along the west low water line of Cayuga Lake to a point, which point is 7,000 feet, more or less, northwest of Willow Creek Point; thence northeasterly 7,200 feet, more or less, perpendicular to the west low water mark of Cayuga Lake to a point in the east low water mark of Cayuga Lake; thence southeasterly 20,500 feet, more or less, along the east low water line of Cayuga Lake to the place of beginning, containing 3,485 acres of land, more or less.

Said description includes a parcel of land containing 1,600 acres of land consented to by the "Commissioners of the Land Board" on June 20, 1938; a parcel of approximately 500 acres consented to by the Office of General Services by an instrumented dated January 31, 1974, and two additional parcels: one in the amount of 1,075 acres, and the second in the amount of 310 acres, both as requested by letter from the Grantee herein, dated May 14, 1984; all of the same

being hereby consented to and conveyed. Said premises being shown on a map attached hereto as Exhibit "C".

This CONSENT to enter upon State lands to mine rock salt is made and accepted subject to the following covenants, terms, and conditions.

1. TERM

The Term of this CONSENT is for ten (10) years, commencing on April 1, 1984, subject to the provisions of Paragraph 6, entitled "GROUNDS FOR REOPENING". The Grantee, if it wishes to extend the term hereof may do so by giving written notice to the Grantor six (6) months prior to the end of the Term. In the event that the Grantee exercises the option to extend the Term hereof, the Term shall be extended for an additional ten (10) years, subject to the provisions of Paragraph 6.

2. ROYALTY RATE:

- A. Period from April 1, 1984 to December 31, 1984 twenty cents (\$.20) per ton;
- B. Period from January 1, 1985 to December 31, 1985 twenty-four cents (\$.24) per ton;
- C. Period from January 1, 1986 to December 31, 1994 and during any extension period the royalty rate will be calculated by multiplying the royalty rate for the previous year by the percentage of fluctuation in the ton weight average price of salt as published in the New York State Office of General Services, Notice of Contract Award covering Department of Transportation Regions 2, 3, 6, and 9. The result of said multiplication shall be added or subtracted from the previous year's royalty rate.

For each year after December 31, 1985 the maximum fluxuation from the royalty rate for the preceding year, upward or downward, is limited to ten percent (10%). The minimum price not subject to any downward adjustment established by this Contract shall be fifteen cents (\$.15) per ton.

3. MINIMUM ROYALTY

Notwithstanding anything contained in the previous paragraph, the Grantee shall pay to the Grantor the minimum payment of Forty-Five Thousand and No/100 Dollars (\$45,000.00) per year, regardless of the amount of salt mined by the Grantee. If, during any royalty year (calendar year, except for the first year which ends on December 31, 1984), covered by this CONSENT, the amount of salt mined by the Grantee when multiplied by the Royalty Rate yields an amount greater than Forty-Five Thousand and No/100 Dollars (\$45,000.00), the greater sum shall be paid. If the Grantee does not mine salt in the State land for a period of eighteen (18) consecutive months, or if the amount of salt so mined during a royalty year when multiplied times the Royalty Rate is less than Forty-Five Thousand and No/100 Dollars (\$45,000.00) per year, and said rate of extraction of the amount of salt from the State land continues for a period of eighteen (18) consecutive months, either the Grantor or the Grantee shall have the right to reopen the terms of this CONSENT for the purpose of renegotiation of the minimum payment herein provided. Such renegotiation shall be subject to the "Six-Month Rule".

4. PAYMENT OF ROYALTY

The payment of Royalty herein called for shall be made on the 31st day of May, and the 30th day of November, in each year.

5. SIX-MONTH RULE

The provisions for reopening this CONSENT, by either the Grantee or the Grantor, is subject to the provision that the parties must reach accord on the subject of the reopener, and if no accord is reached within six (6) months from the date of Notice of Reopening, this CONSENT will lapse upon the written notice of either party to the other.

6. GROUNDS FOR REOPENING

- A. There will be an automatic Reopening of the Agreement for renegotiation of the Royalty Rate and Minimum Payment on April 1, 1989, and on every fifth anniversary of that date thereafter, if this Agreement is extended beyond its original term.
- ✓ B. Either the Grantee or the Grantor may request an Reopening of this CONSENT Agreement if the average price, as defined in Paragraph 2.C. either falls or rises more than ten percent (10%) of the Royalty Rate then in effect for two (2) consecutive years. This Reopener would be for the negotiation of Royalty Rate only.
- C. The Grantee shall have the right to request a Reopening should the four New York State Department of Transportation districts, as set forth in Paragraph 2.C., or any one of them substantially change the way in which they bid or buy the deicing rock salt.
- D. The Grantee shall have the right to request a Reopening should the quality of the salt taken by the Grantee from State land change "substantially", making it unsaleable, without further beneficiation. "Substantial", as used in

this clause, shall be defined as 'when the sodium chloride content of the salt mined shall be less than ninety-seven percent (97%), or if the thickness of seam of salt is less than eight feet (8'), or if the standard of salt to waste is less than seventy percent (70%) salt to thirty percent (30%) waste. The sodium chloride content will be measured pursuant to the American Society of Testing Materials (ASTM), being 632-84, Standards Specification for Sodium Chloride, being 534 Method for Chemical Analysis of Sodium Chloride.

7. ENLARGEMENT OF CONSENT AREA

During the term hereof, or any extension, the Grantee may request, an Enlargement of the Area of land covered by this CONSENT. If the Consent is granted, the Royalty Rate that would be imposed upon the salt mined from the extended area shall be governed by the terms of this CONSENT.

8. CANCELLATION BY GRANTEE

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The Grantee shall have the ability to cancel this CONSENT and its obligations thereunder by giving written notice of its intent to do so to the Office of General Services prior to October 1 of each year of the term or extension thereof. In the event that the Grantee shall give such notice the Grantee shall vacate the State land by the end of the full Royalty Year following the notice (fifteen (15) months later).

9. OPTION TO GRANTOR

In the event that the Grantee desires to sell or lease its land, shaft equipment, mining equipment, mining operations, leaseholds, and mineral rights, the Grantee shall give to the Grantor a right of first refusal to buy or lease

the same. The "right of first refusal", as stated herein, must be exercised by the Grantor in writing within one hundred twenty (120) days from the date that Grantor is notified by the Grantee of its intent to sell or lease to a bona fide third party, setting forth the terms and conditions it is willing to accept from said bona fide third party. If the Grantor does not exercise its "right of first refusal" the Grantee may assign its rights hereunder to the purchasing or leasing third party upon said third party's application to the Grantor for permission to assume the rights herein defined, which permission will not be unreasonably withheld by the Grantor.

10. BINDING EFFECT

All of the covenants, terms, and conditions of the CONSENT will inure to the benefit of and be binding upon the successors and assigns of the respective parties hereto, the same as if they were in every case named and expressed.

11. CONDITIONS PRECEDENT

The granting of this CONSENT to the Grantee by the Grantor shall be conditioned on the Grantee's acceptance that it shall be held liable, and shall pay any and all damages which result to or shall be sustained by the Grantor as a consequence of Grantee's mining operations on lands herein described, or in the maintenance for use of such mines, or by reason of any work done or authorized, or under this CONSENT.

12. FORCE MAJEURE

In the event of a natural calamity or war which makes it impossible for the Grantee to continue its operations as contemplated herein upon the state lands described herein, this CONSENT order shall terminate upon thirty days' written notice given by the Grantee to the Grantor.

13. Cargill, Inc. shall obtain and keep in force and effect during the term of this consent comprehensive public liability and property damage insurance designating the Commissioner of General Services and The People of the State of New York as an additional insured protecting the said Commissioner and The People of the State of New York against any and all claims of liability of whatsoever kind and nature which may arise either directly or indirectly as a result of any operations carried on under or pursuant to this CONSENT, which insurance shall provide for limits of not less than \$500,000/1,000,000 with respect to bodily injury and death, and \$1,000,000 with respect to property damage and shall be obtained from a company licensed to do business in the State of New York.

14. Cargill shall provide extraction reports to the Office of General Services on a monthly basis, no later than 15 days past the last day of the month being reported. The Office of General Services (the State) shall have the right to inspect the mine upon giving Cargill no less than 48 hours notice and executing an appropriate Release prior to entering the mine.

This CONSENT shall not be operative until it shall have been duly accepted by a Resolution of the Board of Directors of the Grantee, and a certified copy of such Resolution filed with the Office of General Services.

IN WITNESS WHEREOF the Commissioner of General Services on behalf of the People of the State of New York has caused this CONSENT Order to be signed by its duly authorized representative as of the first of April 1984.

THE PEOPLE OF THE STATE OF NEW YORK acting by John C. Egan, Commissioner of General Services

By: James M. Gallagher
James M. Gallagher, Director
Real Property Planning and
Utilization Group

STATE OF NEW YORK)
) ss:
COUNTY OF ALBANY)

On this 27th day of January, 1986, before the subscriber personally came James M. Gallagher acting for John C. Egan, Commissioner of General Services of the State of New York, in the Executive Department of the State of New York, to me known and known to me to be the Director of Real Property Planning and Utilization Group of the Office of General Services in the Executive Department of the State of New York, described in and who executed the foregoing instrument and he acknowledged to me that he executed the same as such Director pursuant to a designation filed with the Secretary of State on September 25, 1984, for and on behalf of The People of the State of New York.

STATE OF NEW YORK
DEPARTMENT OF STATE

FILED MAR 24 1986

Secretary of State

Thomas A. Pohl
Notary Public

THOMAS A. POHL
Notary Public, State of New York
Qualified in Rensselaer County
No. 4672599
Commission Expires March 30, 1986

ALER & THALER
ATTORNEYS
& COUNSELORS
NORTH TIOGA ST.
ALBANY, NEW YORK

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CARGILL, INCORPORATED
15615 MCGINTY ROAD
MINNETONKA, MINNESOTA
MAIL ADDRESS: P.O. Box 9300, MINNEAPOLIS, MN 55440

M. A. Kurschner
ASSISTANT SECRETARY

I hereby certify that I am Assistant Secretary of the Executive Committee of Cargill, Incorporated, a Delaware corporation. I further certify that under the duly adopted rules of said Committee, a copy of the record of any action taken by said Committee, when by me as Assistant Secretary certified to be true and correct and when attested by me with the corporate seal, shall be sufficient evidence of the taking of said action and its effectiveness, without the signature of any member of said Committee. I further certify that the following is a true and correct copy of a resolution(s), rule(s) or action(s) duly adopted or taken, as the case may be, by said Executive Committee on February 10, 19 86, and that said resolution(s), rule(s) or action(s) are on this date in full force and effect, to wit:

"WHEREAS, Cargill, Incorporated by permit granted by the Office of General Services of the State of New York on April 5, 1974, was granted the right and privilege to enter upon and mine rock salt in the lands of the State of New York under Cayuga Lake; and

"WHEREAS, Cargill, Incorporated petitioned the Office of General Services for modification and extension of said Permit; and

"WHEREAS, the terms of a consent renewal, including perimeters of the property involved and the royalty to be paid the State of New York have been mutually agreed upon; and

"WHEREAS, a Consent Order including and containing such terms has been signed by the Commissioner of General Services; and

"WHEREAS, said Consent Order shall only be operative when it has been duly accepted by Resolution of the Board of Directors of Cargill, Incorporated and a certified copy of the Resolution filed with the Office of General Services;

"NOW, THEREFORE, BE IT RESOLVED, That the Consent Order of the Commissioner of General Services on behalf of the people of the State of New York consenting to the petition of Cargill, Incorporated for modification and extension of its permit to enter upon and mine rock salt under Cayuga Lake in the Towns of Lansing and Ulysses, Tompkins County, New York is accepted by Cargill, Incorporated, which Consent Order was signed by the Commissioner of General Services on January 27, 1986, to be effective as of April 1, 1984."

WITNESS MY HAND AND THE SEAL of Cargill, Incorporated, this tenth day of
February, 19 86.


ASSISTANT SECRETARY 76

ACCEPTANCE

For and in consideration of the Consent Order of the Commissioner of General Services pursuant to Article 7 of the Public Lands Law granted to Cargill, Incorporated, a Delaware corporation, the undersigned does hereby agree for itself and its successors and assigns to abide by and perform all the covenants, conditions, terms and provisions contained therein and does hereby assume all the obligations thereunder.

CARGILL, INCORPORATED

By:

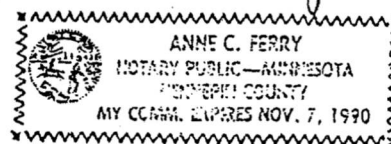
Cary M. Humphries, Group Vice President

CORPORATE ACKNOWLEDGEMENT

STATE OF MINNESOTA)) ss
COUNTY OF HENNEPIN)

On the 11th day of February, in the year 1986, before me personally came Cary H. Humphries, to me known, who, being by me duly sworn, did depose and say that he resides in Hennepin County, Minnesota; that he is the Group Vice President of Cargill, Incorporated, the corporation described in and which executed the above instrument; that 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 the Board of Directors of said corporation, and that he signed his name thereto by like order.

Notary Public



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