

## MINING CONSENT ORDER MODIFICATION AGREEMENT

THIS MODIFICATION AGREEMENT, made and entered into this 2<sup>nd</sup> day of June, 2009, between Cargill, Incorporated, a Delaware corporation having an office at the Town of Lansing, Tompkins County (hereinafter referred to as "Cargill"), and THE PEOPLE OF THE STATE OF NEW YORK, acting by and through the Commissioner of General Services, pursuant to Article 7 of the Public Lands Law, (hereinafter referred to as the "State") and collectively referred to as the "parties".

WITNESSETH, that the parties entered into a Consent Order executed by the State on January 12, 1995, ("Consent Order"), wherein the State granted Cargill the permission to mine rock salt from certain lands under the waters of Cayuga Lake, in the Towns of Lansing and Ulysses, County of Tompkins for a ten (10) year term commencing on January 1, 1995 and ending on December 31, 2004.

WHEREAS, the parties acknowledge that pursuant to Paragraph 1 of the Consent Order Cargill has duly exercised its option to extend the term of the Consent Order; and it is the desire of the parties, among other things, to modify the Consent Order to extend the term, to add two parcels aggregating 5,996 acres to the mine and to calculate the royalty rate based on the Net Sales (as defined below) of bulk white salt mined.

NOW, THEREFORE, it is agreed as follows:

- A. The second and third paragraphs of the Ordered Clause of the Consent Order, starting with "ALL THAT TRACT OR PARCEL OF LAND" and which described the metes and bounds of the mine, is hereby replaced in its entirety by the new description, attached hereto as Exhibit "A".
- B. Paragraph No. 1 of the Consent Order is hereby replaced in its entirety and amended to read as follows:

The term of this Consent Order shall be fifteen (15) years commencing on January 1, 2005 and terminating on December 31, 2019 (the "Term"), unless the Grantee provides written notice to the Grantor six (6) months prior to the end of the Term of its desire to extend the CONSENT for an additional ten (10) years, in which case the Term shall be extended for an additional ten (10) years.
- C. Paragraph No. 2 of the Consent Order is hereby replaced in its entirety and amended to read as follows:

Grantee shall pay a 2% royalty on the Net Sales, as defined herein, of all salt tons hoisted from the Lansing mine during the two (6) month payment periods provided for in Paragraph 4. "Net Sales" is defined as the Grantee's Gross Sales, as defined herein, on bulk white salt from the Lansing mine less all transportation, handling, taxes and storage costs (including but not limited to rent, tarping the product, and the direct costs of Cargill owned terminals), incurred by Grantee to deliver the salt to the customer. "Gross Sales" is defined as the total invoice value of sales, prior to deducting for customer's discounts, allowances or returns. Grantee will calculate the Net Sales by using General Accepted Accounting Principals and agrees that the calculation and the documents supporting said calculation may be reviewed by the Grantor pursuant to Paragraph 14, below.

- D. Paragraph No. 3 of the Consent is amended in part to delete the last sentence and replace it with the following:

The provisions for reopening this Consent Order, by either the Grantee or the Grantor, is subject to the provision that the parties must negotiate in good faith to reach accord on the minimum payment, and if no accord is reached within six (6) months from the date of the written notice of reopening, this Consent Order will terminate upon the written notice of either party.

- E. Paragraph No. 4 of the Consent Order is hereby replaced in its entirety and amended to read as follows:

The payment of royalty herein called for shall be made on the 31<sup>st</sup> day of July for the six (6) month period from January 1<sup>st</sup> to June 30<sup>th</sup>, and made on the 31<sup>st</sup> day of January for the six (6) month period from July 1<sup>st</sup> to December 31<sup>st</sup>.

- F. Paragraph No. 5 of the Consent Order is deleted in its entirety.

- G. Paragraph No. 6 of the Consent Order is deleted in its entirety.

- H. Paragraph No. 11(C) of the Consent Order is amended in part to change the per occurrence limit for bodily injury from one million dollars (\$1,000,000) to ten million dollars (\$10,000,000); the aggregate limit for bodily injury from one million dollars (\$1,000,000) to ten million dollars (\$10,000,000) and the one million dollars (\$1,000,000) for property damage to five million dollars (\$5,000,000).

- I. Paragraph No. 11(C) of the Consent Order, last sentence, is hereby amended to correct the following typos to read as follows:

"polic;" is modified to "policy", "or." is modified to "or" and "iosure" is modified to "insure".

J. Paragraph No. 13 of the Consent Order is amended in part to replace "permit No. 7-5032-00002/00001-1 dated May 2, 1993" with "permit ID No. 0-9999-00075/00001, effective date December 31, 2007".

K. Paragraph No. 14 of the Consent Order is amended to read as follows:

A. The Grantee shall provide the Grantor with written report of all minerals extracted on a monthly basis, no later than fifteen (15) days past the last day of the month being reported and written report semi-annually, sworn to under oath, confirming the amount of all minerals extracted, for the most recent six (6) month payment period, with the submission of the royalty payments made pursuant to Paragraph 2 of the Consent Order. In addition to the monthly and semi-annual reports, the Grantee shall provide the Grantor with a semi-annual Net Sales report, for the most recent six (6) month payment period, with the submission of the royalty payments made pursuant to Paragraph 2. The reports referred to herein, and the supporting documents referred to in Paragraph No. 2 and in Part B of this Paragraph, shall be kept for the balance of the calendar year in which they were made and for six (6) additional years thereafter.

B. The Grantor shall have the right to inspect the mine and all written accounting records pertaining to the calculation of the royalty thereto upon giving the Grantee no less than 48 hours notice and executing an appropriate release prior to entering the mine.

L. The following new Paragraph No. 15 is hereby added to the Consent Order:

This Consent Order may not be assigned by the Grantee or its right, title interest therein assigned, transferred, conveyed, sublet or otherwise disposed of without the prior consent, in writing, of the Grantor; except that the Grantee may, without consent, transfer or assign this Consent Order to a subsidiary. Any attempts to assign the Consent Order without the Grantor's requisite written consent are null and void. Such consent shall not be unreasonably withheld.

M. The following new Paragraph No. 16 is hereby added to the Consent Order:

This Consent Order shall be governed by the laws of the State of New York except where the Federal supremacy clause requires otherwise.


N. The following new Paragraph No. 17 is hereby added to the Consent Order:

The Grantee shall act reasonably and in good faith to fulfill its contractual obligations with the State of New York to provide rock salt.

IT IS FURTHER UNDERSTOOD AND AGREED that the amendments set forth herein shall be effective as of date of this Modification Agreement. Except as herein modified, all other terms and conditions of the Consent Order shall remain in full force and effect. This Modification Agreement hereby replaces and terminates the interim permit LUW00163-05 dated December 12, 2004 and approved on November 30, 2004. Cargill shall receive a full credit, if any, for all royalty payments made under permit LUW00163-05.

IN WITNESS WHEREOF, the parties hereto have caused this Modification Agreement to be executed in triplicate on the day and year first written above.

CARGILL, INCORPORATED

BY 

Print Name: Dale Fehrenbach

Print Title: President COT

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THE PEOPLE OF THE  
STATE OF NEW YORK

BY JOHN C. EGAN  
Commissioner of General Services

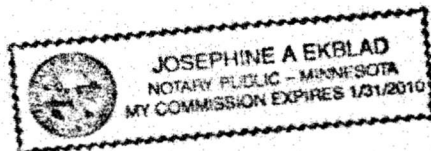
6-2-08  
Date: John C. Egan



Minnesota  
STATE OF ~~NEW YORK~~ )  
: SS.:  
COUNTY OF Hennepin

On the 4<sup>th</sup> day of May in the year 2009 before me personally appeared Dale Fehrenbach, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity as the President, CDT for Cargill, Incorporated, the corporation described in and which executed the above instrument; and that he/she signed his/her name thereto by order of the Board of Directors of said corporation.

*Josephine A. Ekblad*  
Notary Public



## EXHIBIT A

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 15,100 feet, more or less, along the east low water line of Cayuga Lake to a point; thence southwesterly 6,000 feet, more or less, to a point in the low water mark on the west shore of Cayuga Lake, which point is 760 feet, more or less, southeasterly of Town line between the Town of Ulysses and the Town of Ithaca thence northerly and northwesterly 58,700 feet, more or less, along the west low water line of Cayuga Lake to a point, which point is 300 feet, more or less, northwest of Little Point; thence northeasterly 8,900 feet, more or less, to a point in the east low water mark of Cayuga Lake, which point is 4,000 feet, more or less, northwest of Lake Ridge Point Light; thence southwesterly 41,600 feet, more or less, along the east low water line of Cayuga Lake to the place of beginning, containing 9,481 acres of land, more or less.