

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

AND

CAYUGA MILK INGREDIENTS, LLC

AMENDED AND RESTATED PAYMENT IN LIEU OF TAX AGREEMENT

Project

Cayuga Milk Ingredients, LLC Project

Premises:

**Eagle Drive, Town of Aurelius, New York
Approx. 28.314 acres of land, being comprised of all or portions of
Tax parcel Nos. 114.00-3-2.1 and 114.00-3-99.1, as shall be merged, and
Tax Parcel 114.00-3-4**

IDA Project No. 0502-23-02A

Taxing Jurisdictions

**Cayuga County
Town of Aurelius
Union Springs Central School District**

AMENDED AND RESTATED PAYMENT IN LIEU OF TAX AGREEMENT

THIS AMENDED AND RESTATED PAYMENT IN LIEU OF TAX AGREEMENT (the “Agreement”), dated as of October 20, 2023, by and between **CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation duly existing under the laws of the State of New York with offices at 2 State Street, Auburn, New York 13021 (the “Agency”) and **CAYUGA MILK INGREDIENTS, LLC**, a New York limited liability company having offices at 15 Eagle Drive, Auburn, New York 13021 (the “Company”).

WITNESSETH:

WHEREAS, the Agency was created by Chapter 1030 of the Laws of 1969 of the State of New York pursuant to Title I of Article 18-A of the General Municipal Law of the State of New York (collectively, the “Act”) as a body corporate and politic and as a public benefit corporation of the State of New York; and

WHEREAS, the Agency previously undertook a certain project (the “2012 Project”) consisting of (A) the sale or lease by the Agency to the Company of an approximately 25-acre parcel of land located off Eagle Drive within the Agency-owned Aurelius Industrial Park (the “Park”), Town of Aurelius, Cayuga County, New York (the “Land”, being all or portions of former TMID Nos. 114.00-3-2, 114.00-3-3, 114.00-3-06 and 114.00-3-7, as merged into existing Lot 2 in the Aurelius Industrial Park and identified as TMID No. 114.00-3-2.1); (B) the planning, design, construction and operation on the Land by the Company of an approximately 108,000 square-foot dairy ingredients processing facility (the “2012 Improvements”); (C) the acquisition and installation in and around the Improvements of certain machinery, equipment and other items of tangible personal property (the “2012 Equipment”); (D) the planning, design, construction and operation on the Land by the Company of certain wastewater treatment and solid waste disposal building improvements and related equipment to serve the Improvements (the “2012 Treatment Facility”, and collectively with the Land, Improvements and the Equipment, the “2012 Facility”); (E) at the election of the Company, the issuance by the Agency of its Exempt Facility Revenue Bonds (Cayuga Milk Ingredients, LLC Project) in a principal amount not to exceed \$30,000,000 (the “Bonds”) for the purpose of financing the Treatment Facility in accordance with applicable provisions of the Internal Revenue Code (the “Code”) relating to sewer treatment and solid waste disposal; (F) paying certain costs and expenses incidental to the issuance of the Bonds and/or establishment of debt service reserve funds (the costs associated with item (D) above being hereinafter collectively referred to as the “Treatment Facility Costs”); and (G) the lease (with an obligation to purchase) or sale of the Agency’s interest in the Facility back to the Company; and

WHEREAS, the Agency and Company undertook the 2012 Project pursuant to a Straight Lease Transaction, as defined within the Act, which included and was memorialized by certain project documents (the “2012 Project Documents”, each dated as of April 8, 2013). The Agency also previously undertook a certain project (the “2020 Project”) consisting of the appointment of the Company as agent of the Agency to undertake the planning, design, construction and operation of approximately 3,000 sf of building additions to the 2012 facility, including an approximately 2,408 sf addition at approximately 104 feet tall to house product evaporation and

finishing equipment, an approximately 500 sf silo tank hall and dryer addition, along with additional building and site improvements and modifications within and around the 2012 Improvements (collectively, the “2020 Improvements”); (iii) the acquisition of and installation in and around the Land and 2012 Improvements and 2020 Improvements by the Company of machinery, equipment, fixtures and other items of tangible personal property, including silos, tanks, membranes, boilers and wastewater treatment equipment (the “2020 Equipment” and, collectively with, the Land and the Improvements, the “2020 Facility”); and

WHEREAS, the Agency and Company undertook the 2020 Project pursuant to a certain Agent and Financial Assistance and Project Agreement, dated as of June 16, 2020, along with related documents; and

WHEREAS, the Company submitted an application to the Agency requesting the Agency’s assistance with a certain project (the “Project”) consisting of (i) retention by the Agency of a leasehold interest in the Land, subject to (a) the removal of approximately 7.458 acre portion of the Land (within existing TMID 114.00-3-2.1) to be transferred by the Company to an affiliate (with the 2012 Project Documents amended accordingly, and (b) the sale by the Agency to the Company of approximately 10.315 acres of real property identified as Lot 4 and TMID No. 114.00-3-4 and approximately .584 acres of real property located within existing Eagle Drive (portion of TMID No. 114.00-3-99.1, and collectively with TMID No. 114.00-3-4, the “Agency Lands”) to be incorporated into the 2012 Facility and 2020 Facility; (ii) the appointment of the Company as agent of the Agency to undertake the planning, design, construction and operation of certain improvements to the 2012 Facility and 2020 Facility, including expanded milk product receiving bays, establishment of trucking and parking improvements, along with additional building and site improvements and modifications within and around the 2012 Improvements, 2020 Improvements and Agency Lands (collectively, the “Improvements”); (iii) the acquisition of and installation in and around the Land, Agency Lands, 2012 Improvements, 2020 Improvements and Improvements by the Company of machinery, equipment, fixtures and other items of tangible personal property and wastewater treatment equipment (the “Equipment” and, collectively with, the Land and the Improvements, the “Facility”); and (iii) amendment of the 2012 Project Documents to provide for a continuing straight lease transaction (within the meaning of subdivision (15) of Section 854 of the Act), pursuant to which the Agency will retain a leasehold interest in the Facility for a period of time and sublease such interest in the Facility back to the Company (the “Straight Lease Transaction”); and

WHEREAS, the Agency and Company desire to amend and restate that certain Payment-in-Lieu-of-Tax Agreement, dated as of April 8, 2013 (the “2012 PILOT Agreement”), by and between the Agency and Company, in its entirety through this Agreement; and

WHEREAS, in order to induce the Company to acquire, construct and equip the Facility, the Agency is willing to acquire and retain a leasehold interest in the Land, the Improvements and personal property constituting the Facility pursuant to an Amended and Restated Lease Agreement (the “Lease Agreement”), and thereafter the Agency will lease back the Facility to the Company pursuant to the terms and conditions of a certain Amended and Restated Leaseback

Agreement to be dated on or about the date hereof (the “Leaseback Agreement” and together with the Lease Agreement, the “Lease Agreements”); 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 or under its jurisdiction, control or supervision, other than Special Charges as defined in Section 2.1 which shall be paid by the Company outside this Agreement as billed by respective third parties; and

WHEREAS, the Agency and the Company deem it necessary and proper to enter into this Agreement to make provisions for payments in lieu of taxes by the Company to the Agency relative to the Land and Improvements for the benefit of Cayuga County (the “County”), the Town of Aurelius (the “Town”) and the Union Springs Central School District (hereinafter the “School District” or “School” and, collectively with the County and the Town, the “Affected Tax Jurisdictions”).

NOW, THEREFORE, in consideration of the covenants herein contained, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed as follows:

Section I – Amendment and Restatement of 2012 PILOT Agreement; Acquisition of Land; Prior Exemption Continued; Payment in lieu of Ad Valorem Taxes:

This Amended and Restated PILOT Agreement shall amend, restate and supersede in its entirety the 2012 PILOT Agreement.

1.1 A. Prior to the date hereof, the Land was owned in part by the Company, Agency, and Cayuga County, and/or under the jurisdiction and control of the Agency, and has been exempt from Real Estate Taxes (as defined herein). As of the date hereof, the Agency has transferred fee title to the portions of the Land to the Company pursuant to a certain Warranty Deed with Easement (the “Warranty Deed”), such Warranty Deed reserving unto the Agency a retained leasehold interest, as memorialized within the Leaseback Agreement. The Agency’s retained leasehold interest within the Warranty Deed and Leaseback Agreement shall have the effect of continuing and maintaining the exempt status (Section Roll 8) of the Land for purposes of current tax years, including (i) the 2023 Town and County tax years and 2023/2024 School tax year, and (ii) prospectively, 2024 Town and County Tax Years. Pursuant to Section 874 of the Act, Section 412-a of the New York State Real Property Tax Law, and relevant opinions issued by the New York State Office of Real Property Tax Services, the Agency’s acquisition of a leasehold interest in the Land, pursuant to the Lease Agreement as of the date and commensurate with the Company’s acquisition of fee title to the Land shall have the effect of continuing and maintaining the exempt (Section Roll 8) of the Land. The Company acknowledges and agrees that as of the date hereof, the Company shall be responsible for payment of all Special District Charges accruing on and after the date hereof.

B. Subject to the completion and filing by the taxable status date of March 1, 2024 (the “Taxable Status Date”) of New York State Form RP-412-a Application For Real Property Tax Exemption (the “Exemption Application”) under Section 412-a of the New York

State Real Property Tax Law and Section 874 of the Act and the approval of the Exemption Application by the appropriate assessors or Board of Assessment Review, the Land (along with the Improvements once constructed by the Company, as agent of the Agency) shall be exempt from Real Estate Taxes for the periods set forth in Section 1.5. For purposes of the foregoing “Real Estate Taxes” means all general levy real estate taxes levied against the Facility by the County, the Town and the School. The Company shall provide to the Agency with the information necessary for the completion and filing of the Exemption Application and shall provide such additional information and take such actions as are required by the appropriate assessors or Board of Assessment Review to process and approve the Exemption Application. Notwithstanding anything contained herein or in the Leaseback Agreement to the contrary, in the event the exemption from Real Estate Taxes is denied for any reason, the Company shall pay (and hereby agrees to pay) all Real Estate Taxes levied upon the Facility as they become due. After giving written notice to the Agency, the Company may in good faith contest the denial of the Exemption Application, provided that (i) the overall operating efficiency of the Facility is not impaired and the Facility continues to qualify as a “project” under the Act; (ii) neither the Facility nor any part of or interest in it would be in any danger of being sold, forfeited or lost; or (iii) neither the Company nor the Agency, as a result of such contest, shall be in any danger of any civil or criminal liability. The Company hereby waives any claim or cause of action against the Agency, and releases the Agency from any liability to the Company, arising from the denial of an exemption from Real Estate Taxes except to the extent that such denial results solely from the failure of the Agency to file the Exemption Application with the appropriate assessors or Board of Assessment Review by the Taxable Status Date.

B. Interim Real Estate Taxes. To the extent imposed by any of the Affected Tax Jurisdictions, the Company shall pay all Real Estate Taxes relating to the Land due and payable from the date hereof through the Taxable Status Date.

C. Payee. As long as the Facility is owned by the Agency or under its jurisdiction, control or supervision, and the Leaseback Agreement is in full force and effect, the Company agrees to pay annually to the Agency, on behalf of the Company, in furtherance of the Projects described herein, and for the benefit of the Affected Taxing Jurisdictions, as a payment in lieu of taxes, on or before February 1 of each calendar year during the term hereof (each a “Payment Date”), beginning on February 1, 2024, an amount reflecting the combined sums of Total PILOT Payment due pursuant to **Schedule A-1 and Schedule A-2**, hereto.

The Agency shall submit and invoice to the Company on or before January 1 of each PILOT Year covered by this Agreement for the Total PILOT Payments due for such PILOT Year (each a “PILOT Invoice”), however, the Company shall timely pay all Total PILOT Payments on or before February 1 in each PILOT Year even in the absence of transmittal and/or receipt of a PILOT Invoice. Each PILOT Invoice will identify the Total PILOT Payment, with a separate statement of the amount of any Future Addition PILOT Payment, if applicable.

The parties agree and acknowledge that payments made hereunder are to obtain revenues for public purposes, and to provide a revenue source that the Affected Tax Jurisdictions would otherwise lose because the subject parcels are not on the tax rolls.

1.2 Allocation. The Agency shall remit to the Affected Tax Jurisdictions amounts received hereunder, if any, within thirty (30) days of receipt of said payment and shall allocate said payments among the Affected Tax Jurisdictions in the same proportion as ad valorem taxes would have been allocated but for the Agency's involvement, unless the Affected Tax Jurisdictions have consented in writing to a specific allocation. The Company shall have no obligation to ensure appropriate distributions of any "2012 Facility Total PILOT Payment" and/or "2023 Facility Total PILOT Payment", as each term is respectively defined and set forth on Schedule A-1 and Schedule A-2, hereto (including any applicable penalties or interest to the extent paid late) to the Affected Tax Jurisdictions by the Agency and shall be deemed released from any further obligations for timely distribution of any such payments made by the Company to the Agency. The 2012 Facility Total PILOT Payment and the 2023 Facility Total PILOT Payment are collectively referred to herein as the "Total PILOT Payment".

1.3 Tax Rates. For purposes of determining the allocation of the Total PILOT Payment among the Affected Tax Jurisdictions, the Agency shall use the last tax rate utilized for levy of taxes by each such jurisdiction. For County and Town and/or any special district purposes, the tax rates used to determine the allocation of the Total PILOT Payment shall be the tax rates relating to the calendar year which includes the Payment Date. For School District purposes, the tax rates used to determine the PILOT payment shall be the rate relating to the school year which includes the Payment Date.

1.4 Valuation of Future Additions to the Facility: If there shall be a future addition and/or internal modification to the Facility (but excluding the replacement of equipment) that has not been described in the Application constructed or added in any manner after the date of this Agreement, the Company shall notify the Agency of such future addition ("Future Addition"). The notice to the Agency shall contain a copy of the application for a building permit, plans and specifications, and any other relevant information that the Agency may thereafter request. Unless otherwise incorporated as an amendment hereto or through a supplemental PILOT Agreement entered into by the Agency upon application by the Company, beginning with the first PILOT Year after March 1 following the earlier of substantial completion, or the issuance of a certificate of occupancy for any such Future Addition to the Facility, the Company shall become liable for payments in lieu of taxes related to such Future Addition ("Future Addition PILOT Payment") which shall be separate and apart from the Total PILOT Payment and which shall be equal each year to the assessment of such Future Addition by the Town Assessor(s) less any applicable exemption other than the Agency's exemption, multiplied by the then current tax rates of the Affected Tax Jurisdictions. PILOT Invoices shall reflect any Future Addition PILOT Payments. The applicable assessor shall notify the Company of any proposed increase in the Total PILOT Payment related to such Future Addition. If the Company shall disagree with the determination of assessed value for any Future Additions made by the Assessor, the Company may challenge such assessment in accordance with Article IV hereof. Notwithstanding any disagreement between the Company and the assessor, the Company shall pay the Future Addition PILOT Payment as a component of Total PILOT payment until a different Future Addition PILOT Payment shall be established. If a lesser Future Addition PILOT Payment is determined in any proceeding or by subsequent agreement of the parties, the Future Addition PILOT Payment shall be re-computed and any excess payment shall be refunded to the Company

or, in the Agency's sole discretion, such excess payment shall be applied as a credit against the next succeeding Future Addition PILOT Payment(s).

1.5 Period of Benefits. With respect to the 2012 Facility, the tax benefits provided for herein should be deemed to include (i) the 2013 County and Town tax years through the 2034 County and Town tax years, and (ii) the 2012/2013 School tax year through the 2033/2034 School tax year. With respect to the 2023 Facility, the tax benefits provided for herein should be deemed to include (i) the remainder of the 2023 County and Town tax years through the 2034 County and Town tax years, and (ii) the remainder of the 2023/2024 School tax year through the 2033/2034 School tax year. This Agreement shall expire on December 31, 2034; provided, however, the Company shall pay the 2035 Town and County tax bills and the 2034/2035 tax bill on the dates and in the amounts as if the Agency were not in title on the tax status date with respect to said tax years. In no event shall the Company be entitled to receive tax benefits relative to the 2012 Facility or 2023 Facility for more than the periods provided for herein, unless the period is extended by amendment to this Agreement executed by both parties after any applicable public hearings. The Company agrees that it will not seek any tax exemption for the 2012 Facility and/or the 2023 Facility which could provide benefits for more than the periods provided for herein and specifically agrees that the exemptions provided for herein, to the extent actually received (based on the number of lease years elapsed), supersede and are in substitution of the exemptions provided by Section 485-b, 485-e and 487 of the New York Real Property Tax Law ("RPTL"). It is hereby agreed and understood that the Affected Tax Jurisdictions can rely upon and enforce the above waiver to the same extent as if they were signatories hereto. Notwithstanding the foregoing, the Company may file for and pursue any tax or assessment exemptions relating to or controlling any Special District Charges (as defined below), and may also file for exemptions pursuant to RPTL §477 and §477-a, provided, however, that the granting of exemption pursuant to RPTL §477 and §477-a shall not reduce, affect or change the 2012 Facility Total PILOT Payments payable each PILOT Year as set forth within **Schedule A-1** hereto nor the 2023 Facility Total PILOT Payments payable each PILOT Year as set forth within **Schedule A-2** hereto.

Section II - Special District Charges, Special Assessments and other charges.

2.1 Special district charges, special assessments, and special ad valorem levies (specifically including but not limited to any fire district charges or "curb charges"), and pure water charges and all sewer charges (all of the foregoing, collectively, "Special District Charges") are to be paid in full by the Company to the applicable Affected Tax Jurisdiction and/or applicable special district in accordance with normal billing practices.

Section III - Transfer of Facility.

3.1 In the event that the Facility is transferred from the Agency to the Company (the Lease Agreement and Leaseback Agreement are terminated, and herein, a "Transfer"), and the Company is ineligible for a continued tax exemption under some other tax incentive program, or the exemption results in a payment to the Affected Tax Jurisdictions in excess of the payment described in Section I herein, or this Agreement terminates and the property is not timely transferred back to the Company, the provisions of RPTL Sections 302 and 520 shall be deemed

to apply, and the Company agrees to pay to each of the Affected Tax Jurisdictions no later than (i) the next tax levy date (plus any applicable grace period), or (ii) the date required pursuant to any invoice issued pursuant to RPTL Section 520, an amount equal to the taxes and assessments which would have been levied on the Facility if the Facility had been classified as fully taxable as of the date of transfer or loss of eligibility of all or a portion of the exemption described herein or date of termination.

3.2 Credit/Refund for Prepaid PILOT Payments. Notwithstanding the foregoing, the Company has the right to request that any Affected Tax Jurisdiction deduct from such property tax amounts payable pursuant to Section 3.1 hereof or as otherwise required by law, any 2012 Facility Total PILOT Payments or 2023 Facility Total PILOT Payments previously paid pursuant to this Agreement by the Company relating to any period of time after the date of the Transfer.

Section IV - Assessment Challenges.

4.1 The Company shall have all of the rights and remedies of a taxpayer as if and to the same extent as if the Company were the owner of the Facility or any Future Addition, with respect to any proposed assessment or change in assessment with respect to the Facility or any Future Addition by any of the Affected Tax Jurisdictions and likewise shall be entitled to protest before and be heard by the appropriate assessors or Board of Assessment Review, and shall be entitled to take any and all appropriate appeals or initiate any proceedings to review the validity or amount of any assessment or the validity or amount of any tax equivalent provided for herein. The Company shall have all of the rights and remedies of a taxpayer with respect to any tax, service charge, special benefit, ad valorem levy, assessment, or special assessment or service charge in lieu of which the Company is obligated to make a payment pursuant to this Agreement, as if and to the same extent as if the Company were the owner of the Facility or any Future Addition. In the event it is determined or agreed that any such assessment should be reduced and the Company is entitled to a refund for any PILOT Payments made with respect to any Future Addition or in connection with the School tax bill for 2034-2035 payable in accordance with Section 1.5 hereof, such refund shall be deemed to be and treated as a refund of taxes, including interest thereon, under RPTL Section 726 or other applicable law and shall be paid by the Affected Tax Jurisdictions, as applicable. In the event any Affected Tax Jurisdiction improperly fails to pay a refund as contemplated herein for any Future Addition PILOT Payment, the Company may deduct the amount of such refund, together with applicable interest thereon, from the next Future Addition PILOT Payment due to the Agency or for such Affected Tax Jurisdiction hereunder, or pursue any other remedy available to the Company at law or in equity.

4.2 Notwithstanding the foregoing Section 4.1, the Company's rights reserved pursuant to Section 4.1, above, shall be limited during the term hereof to challenging any assessed value of the 2012 Facility and/or the 2023 Facility above the amount of **\$36,800,000.00**, and any such allowable challenge shall have the limited effect and applicability to (i) the assessed value of the 2012 Facility and the 2023 Facility as same relates the imposition and payment of Special District Charges, as defined herein, the School tax bill for 2034-2035 payable in accordance with Section 1.5(A) and (B) hereof, and of Real Estate Taxes which may be levied after the expiration or termination of the term hereof, and (ii) any Future Addition, as the same relates to any Real Estate Taxes, PILOT Payments, Special District Charges or other charges or

impositions, and the Company hereby agrees that an assessment challenge or other revision to the assessed value of the 2012 Facility and/or the 2023 Facility will not affect or change the amount of 2012 Facility Total PILOT Payment and/or 2023 Facility Total PILOT Payment, respectively, payable by the Company to the Agency as set forth within **Schedule A-1** and **Schedule A-2**, hereto. The foregoing forbearance and waiver of rights to file any challenge or certiorari that would have the effect of lowering any assessed valuation of the 2012 Facility and the 2023 Facility below the amount of **\$36,800,000.00** is hereby made by the Company, on its own behalf and for its successors and assigns, and for the benefit of the Agency and the Affected Tax Jurisdictions, and the Affected Tax Jurisdictions can rely upon and enforce the above waiver to the same extent as if they were signatories hereto.

4.3 The Company shall (i) use reasonable efforts to cause the appropriate real estate tax assessment office and tax levy officers to assess any Future Addition and apply tax rates to the respective assessments as if the Future Addition were owned by the Company, (ii) file any accounts or tax returns required by the appropriate real estate tax assessment office and tax levy officers.

Section V - Changes in Law.

5.1 To the extent the Facility is declared to be subject to taxation or assessment by an amendment to the Act, other legislative change, or by final judgment of a Court of competent jurisdiction, the obligations of the Company hereunder shall, to such extent, be null and void.

Section VI – Job Creation.

6.1 As a specific inducement for the Agency entering into this PILOT Agreement with the Company, the Company shall retain and create the full-time or equivalent jobs set forth in the Application for Financial Assistance dated June 5, 2023 (including any amendments, the “Application”), during the term of this PILOT Agreement at the Facility. Further, the Company pledges commercially reasonable efforts to hire persons from the Cayuga County, New York work force. The Company shall promptly provide employment figures to the Agency as requested.

Section VII - Events of Default.

7.1 The following shall constitute “Events of Default” hereunder. The failure by the Company to: (i) make the payments described in Section I on or before the Payment Date (each, a “Delinquency Date”); (ii) make any other payments described herein on or before the last day of any applicable notice and cure period within which said payment can be made without penalty; (iii) the occurrence and continuance of any events of default under the Lease Agreements after the expiration of any applicable cure periods; (iv) to create the jobs set forth in Section 6.1 above; or (v) to exercise its best efforts to recruit and hire new employees from the Cayuga County, New York work force. Upon the occurrence of any Event of Default hereunder, in addition to any other right or remedy the Agency and/or the Affected Tax Jurisdictions may have at law or in equity, the Agency and/or Affected Tax Jurisdictions may, immediately and without further notice to the Company (but with notice to the Agency with respect to actions

maintained by the Affected Tax Jurisdictions) pursue any action in the courts to enforce payment or to otherwise recover directly from the Company any amounts so in default. The Agency and the Company hereby acknowledge the right of the Affected Tax Jurisdictions to recover directly from the Company any amounts so in default pursuant to Section 874(6) of the General Municipal Law and the Company shall immediately notify the Agency of any action brought, or other measure taken, by any Affected Tax Jurisdiction to recover any such amount.

7.2 If payments pursuant to Section I herein are not made by the Delinquency Date, or if any other payment required to be made hereunder is not made by the last day of any applicable cure period within which said payment can be made without penalty, the Company shall pay penalties and interest as follows. With respect to payments to be made pursuant to Section I herein, if said payment is not received by the Delinquency Date defined in Section 7.1 herein, Company shall pay, in addition to said payment, (i) a late payment penalty equal to five percent (5%) of the amount due and (ii) for each month, or any part thereof, that any such payment is delinquent beyond the first month, interest on the total amount due plus the late payment penalty, in an amount equal to one percent (1%) per month. With respect to all other payments due hereunder, if said payment is not paid within any applicable cure period, Company shall pay, in addition to said payment, the greater of the applicable penalties and interest as determined hereunder or penalties and interest which would have been incurred had payments made hereunder been tax payments to the Affected Tax Jurisdictions.

7.3 Prior to exercising any remedy hereunder, any Lender (as defined in the Leaseback Agreement) shall be afforded notice and the cure rights set forth in such section, as if such section were set forth in full herein.

Section VIII - Assignment.

8.1 No portion of any interest in this Agreement may be assigned by the Company, nor shall any person other than the Company be entitled to succeed to or otherwise obtain any benefits of the Company hereunder without the prior written consent of the Agency as applicable and in accordance with Section 6.3 of the Leaseback Agreement, which shall not be unreasonably withheld or delayed. The assignment, mortgage, collateral assignment, or grant of security interest in all or any part of Agency's interests in the Facility, including the Company's rights and obligations pursuant to this Agreement, or any part or parts thereof, in connection with the Company's financing of the Facility, shall be governed pursuant to Section 6.1 of the Leaseback Agreement. In connection with any such assignment, mortgage, collateral assignment or grant of security interest, the Agency agrees to execute an estoppel certificate regarding the status of this Agreement, and such further documents as are reasonably requested by any person providing debt, equity, or other financing for the Facility. Other than by operation of law in accordance with the Act, the Agency shall not assign or cause the assignment of this Agreement to any other party.

Section IX - Miscellaneous.

9.1 This Agreement may be executed in any number of counterparts each of which shall be deemed an original but which together shall constitute a single instrument.

9.2 All notices, claims and other communications hereunder shall be in writing and shall be deemed to be duly given if personally delivered or mailed first class, postage prepaid, or by nationally-recognized overnight courier, as follows:

To the Agency: Cayuga County Industrial Development Agency
2 State Street
Auburn, New York 13021
Attn: Executive Director

And to: Harris Beach PLLC
677 Broadway, Suite 101
Albany, New York 12207
Attn: Justin S. Miller, Esq.

To the Company: Cayuga Milk Ingredients, LLC
15 Eagle Drive
Auburn, New York 13021
Attn: CEO

With a Copy to: Nixon Peabody LLP
1300 Clinton Square
Rochester, New York 14604
Attn: Jared C. Lusk, Esq.

or at such other address as any party may from time to time furnish to the other party by notice given in accordance with the provisions of this Section. All notices shall be deemed given when mailed or personally delivered in the manner provided in this Section.

9.3 This Agreement shall be governed by, and all matters in connection herewith shall be construed and enforced in accordance with, the laws of the State of New York applicable to agreements executed and to be wholly performed therein and the parties hereto hereby agree to submit to the personal jurisdiction of the federal or state courts located in Cayuga County, New York.

9.4 Notwithstanding any other term or condition contained herein, all obligations of the Agency hereunder shall constitute a special obligation payable solely from the revenues and other monies, if any, derived from the Facility and paid to the Agency by the Company. Neither member of the Agency nor any person executing this Agreement on its behalf shall be liable personally under this Agreement. No recourse shall be had for the payment of the principal or interest on amounts due hereunder or for any claim based upon or in respect of any modification of or supplement hereto against any past, present or future member, officer, agent, servant, or

employee, as such, of the Agency, or of any successor or political subdivision, either directly or through the Agency or any such successor, all such liability of such members, officer, agents, servants and employees being, to the extent permitted by law, expressly waived and released by the acceptance hereof and as part of the consideration for the execution of this Agreement.

9.5 The Company acknowledges receipt of the Agency's Uniform Tax Exemption Policy and Project Recapture and Termination Policy, the terms of which are incorporated by reference. The Company acknowledges and agrees that, in addition to any other remedies that may be available to the Agency, all or part of the benefits conferred on the Company hereunder may be subject to recapture pursuant to the provisions of such Uniform Tax Exemption Policy and Project Recapture and Termination Policy.

9.6 Consents to be Reasonable. Any approval, consent, opinion or judgment of the parties hereto provided for herein shall not be unreasonably withheld, conditioned or delayed, except as may be specifically provided for otherwise herein.

9.7 Successors and Assigns. This Agreement shall inure to the benefit of, and shall be binding upon the parties hereto and their respective successors and assigns as permitted hereunder and within the Leaseback Agreement.

9.8 Severability. If any article, section, subdivision, paragraph, sentence, clause, phrase, provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction, such article, section, subdivision, paragraph, sentence, clause, phrase, provision or portion so adjudged invalid, illegal or unenforceable shall be deemed separate, distinct and independent, and the remainder of this Agreement shall be and remain in full force and effect and shall not be invalidated or rendered illegal or unenforceable or otherwise affected by such holding or adjudication.

9.9 Section Headings Not Controlling. The headings of the several Sections in this Agreement have been prepared for convenience of reference only and shall not control or affect the meaning of or be taken as an interpretation of any provision of this Agreement.

9.10 No Waiver. In the event any agreement herein should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

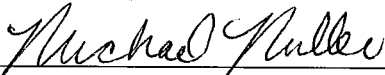
9.11 Amendment. This Agreement may not be amended, changed, modified or altered except in writing executed by the parties hereto.

9.12 Complete Agreement. Unless supplemented or otherwise amended in writing by the Company and the Agency in accordance with the laws of the State of New York, this Agreement constitutes the parties' entire agreement with respect to the subject set forth herein except as may be provided for in the Leaseback Agreement and no other agreements or policies, written or unwritten, implied or express, will be deemed effective.

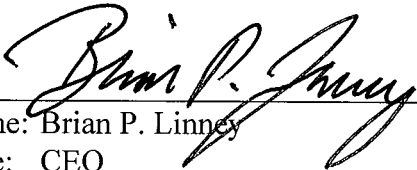
[Signature Page to Amended and Restated PILOT Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

CAYUGA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Name: Michael Miller
Title: Acting Executive Director

CAYUGA MILK INGREDIENTS, LLC

By: 
Name: Brian P. Linney
Title: CEO

SCHEDULE A-1

“2012 Facility Total PILOT Payment” shall be calculated as follows:

<u>PILOT Year</u>	<u>County/Town Tax Year</u>	<u>School Tax Year</u>	<u>2012 Facility Total PILOT Payment</u>
Interim	2013	2012/2013	\$13,189.00 Pro-rated on Closing Date
Interim	2014	2013/2014	\$13,453.00
Year 1	2015	2014/2015	\$13,722.00
Year 2	2016	2015/2016	\$13,996.00
Year 3	2017	2016/2017	\$14,276.00
Year 4	2018	2017/2018	\$55,142.00
Year 5	2019	2018/2019	\$76,809.00
Year 6	2020	2019/2020	\$77,909.00
Year 7	2021	2020/2021	\$82,593.00
Year 8	2022	2021/2022	\$84,540.00
Year 9	2023	2022/2023	\$131,726.00
Year 10	2024	2023/2024	\$134,553.00
Year 11	2025	2024/2025	\$137,410.00
Year 12	2026	2025/2026	\$208,046.00
Year 13	2027	2026/2027	\$231,827.00
Year 14	2028	2027/2028	\$235,648.00
Year 15	2029	2028/2029	\$309,862.00
Year 16	2030	2029/2030	\$334,651.00
Year 17	2031	2030/2031	\$411,622.00
Year 18	2032	2031/2032	\$510,449.00
Year 19	2033	2032/2033	\$601,161.00
Year 20	2034	2033/2034	\$763,784.00

The Company agrees to pay annually to the Agency the 2012 Facility Total PILOT Payment amounts set forth above on or before February 1 of each year.

This PILOT Agreement shall expire on December 31, 2034, unless earlier pursuant to the terms hereof and within the Leaseback Agreement.

The Company shall directly pay the full amounts that will be due 2035 County and Town tax bills (January 2035) and the 2034/2035 School tax bill (September 2034) on the dates and in the amounts as if the Agency were not in title on the tax lien date with respect to said tax years. The Company shall provide the Agency with copies of tax remittances timely sent by the Company to the Affected Tax Jurisdictions.

SCHEDULE A-2

“2023 Facility Total PILOT Payment” shall be calculated as follows:

<u>PILOT Year</u>	<u>County/Town Tax Year</u>	<u>School Tax Year</u>	<u>2023 Facility Total PILOT Payment</u>
Interim	2024	2023/2024	\$0
Interim	2025	2024/2025	\$0
Year 1	2026	2025/2026	\$12,976.00
Year 2	2027	2026/2027	\$26,211.00
Year 3	2028	2027/2028	\$39,709.00
Year 4	2029	2028/2029	\$53,475.00
Year 5	2030	2029/2030	\$67,512.00
Year 6	2031	2030/2031	\$81,825.00
Year 7	2032	2031/2032	\$96,417.00
Year 8	2033	2032/2033	\$111,293.00
Year 9	2034	2033/2034	\$126,456.00

The Company agrees to pay annually to the Agency the 2023 Facility Total PILOT Payment amounts set forth above on or before February 1 of each year.

This PILOT Agreement shall expire on December 31, 2034, unless earlier pursuant to the terms hereof and within the Leaseback Agreement.

The Company shall directly pay the full amounts that will be due 2035 County and Town tax bills (January 2035) and the 2034/2035 School tax bill (September 2034) on the dates and in the amounts as if the Agency were not in title on the tax lien date with respect to said tax years. The Company shall provide the Agency with copies of tax remittances timely sent by the Company to the Affected Tax Jurisdictions.