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March 11, 1999

Stan R. Key  
Vice President  
Real Estate and Small Business Development  
Broome County Industrial Development Agency  
49 Court Street  
P.O. Box 995  
Binghamton, New York 13902

Re: Broome County Industrial Development Agency  
1998 Sale/Leaseback Transaction  
(Willow Run Foods, Inc. Project)

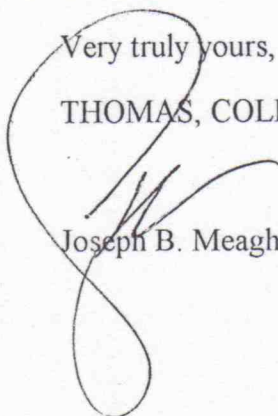
Dear Stan:

Enclosed please find a fully executed PILOT Agreement with regard to the above captioned matter. This should complete your file.

If you have any questions, please do not hesitate to contact me.

Very truly yours,

THOMAS, COLLISON & MEAGHER

  
Joseph B. Meagher

JBM/smm  
Enc.

THIS PAYMENT-IN-LIEU-OF-TAX AGREEMENT (the "Agreement"), dated as of December 17, 1998, by and between WILLOW RUN FOODS, INC., a business corporation duly organized and validly existing under the laws of the State of New York with an address for the transaction of business located at P.O. Box 1350, Binghamton, New York 13902 (the "Company"), the COUNTY OF BROOME, a municipal corporation duly organized and existing under the laws of the State of New York, having its principal office at the Broome County Office Building, Binghamton, New York 13902 (the "County"), the WINDSOR CENTRAL SCHOOL DISTRICT, a municipal corporation of the State of New York, having its principal offices located at 215 Main Street, Windsor, New York 13865 (the "School District") and the TOWN OF KIRKWOOD, a municipal corporation located within the County of Broome and State of New York (the "Town"), with an address of 70 Crescent Drive, Kirkwood, New York 13795.

WITNESSETH:

WHEREAS, Title 1 of Article 18-A, as amended, of the General Municipal Law of the State of New York (the "Enabling Act") was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York (the "State"); and

WHEREAS, the Enabling Act authorizes the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and sell land and any building or other improvement, and all real and personal properties deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial or industrial facilities, including industrial pollution control facilities, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the State and to improve their standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency to lease any or all of its facilities on such terms and conditions as it deems advisable, to issue its bonds for the purpose of carrying out any of its corporate purposes; and, as security for the payment of the principal and

redemption price of, and interest on, any such bonds so issued and any agreements made in connection therewith, to pledge the revenues and receipts from its facilities or from the lease thereof; and

WHEREAS, pursuant to and in accordance with the provisions of the Enabling Act, Chapter 564 of the Laws of 1970 of the State (collectively, the "Act") created the Broome County Industrial Development Agency (the "Agency"), which is empowered under the Act to undertake the providing, financing and leasing of the facility described below; and

WHEREAS, BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY (the "Agency") was created as a public benefit corporation pursuant to and for the purposes specified in Title 1 of Article 18-A of the General Municipal Law; and

WHEREAS, the Company has agreed to a sale and lease-back transaction, on the real property more particularly described on Schedule "A" attached hereto, to facilitate the construction of a 125,000 square foot wholesale food distribution warehouse and a 25,000 square foot corporate office building which will consist of a structural steel frame with metal panel and masonry exterior walls, approximately 35 feet in height, with new utilities and associated site development for grading, parking and landscaping on a parcel of vacant land located on Route 11 in the Town of Kirkwood, Broome County, New York (the "Facility"), and to lease the Facility from the Agency with an option to purchase; and

WHEREAS, the Agency will lease the Facility to the Company for a fifteen (15) year term; and

WHEREAS, the Agency is exempt from the payment of taxes and assessments imposed upon real property, and as a further condition related to the acquisition of the Facility, the Company has agreed that, notwithstanding such exemption, the Company will nevertheless make payments to the Town, the School District and the County while occupying the Facility in lieu of general tax levies.

NOW, THEREFORE, in consideration of the covenants herein contained, it is mutually

