

AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY

AND

NUCOR STEEL AUBURN, INC.

**PAYMENT IN LIEU OF TAX AGREEMENT**

Dated as of February 1, 2007

**Affected Tax Jurisdictions:**  
County of Cayuga  
City of Auburn  
Auburn City School District

## PAYMENT IN LIEU OF TAX AGREEMENT

THIS AGREEMENT, dated as of the 1<sup>st</sup> day of February, 2007, by and between the **AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY**, a public benefit corporation duly existing under the laws of the State of New York with offices at Memorial City Hall, 24 South Street, Auburn, New York 13021 (the "**Authority**") and **NUCOR STEEL AUBURN, INC.**, a Delaware corporation duly qualified and authorized to do business under the laws of the State of New York with offices at c/o Nucor Corporation, 1915 Rexford Road, Charlotte, North Carolina 28211 (the "**Company**").

### WITNESSETH:

**WHEREAS**, pursuant to Title 15 of Article 8 of the Public Authorities Law of the State of New York (the "**State**") as amended from time to time; as enacted into law by Chapter 915 of the Laws of 1969 of the State (the "**Act**"), the Authority was created and empowered to, among other things, promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, civic and research facilities and facilities for use by a federal agency or medical facility, among others, and thereby advancing the job opportunities, health, general prosperity and economic welfare of the people of the City of Auburn and improving their medical care and standard of living; and

**WHEREAS**, the Act further authorizes the Authority to lease its projects, to charge and collect rent therefore, for the purpose of carrying out any of its corporate purposes; and

**WHEREAS**, pursuant to and in accordance with the provisions of the Act, the Authority was created for the benefit of the City of Auburn and the inhabitants thereof; and

**WHEREAS**, the Authority has acquired a leasehold interest in the Facility described below pursuant to a certain lease agreement dated as of April 1, 2001 (the "**Lease Agreement**") and is leasing the Facility back to the Company pursuant to a certain leaseback agreement dated as of April 1, 2001 (the "**Leaseback Agreement**"); and

**WHEREAS**, the project (the "**Project**") consists of (i) the acquisition and expansion of the existing manufacturing facility then operated by the Auburn, New York, division of Auburn Steel Company, Inc. located at 25 Quarry Road in the City of Auburn, Cayuga County, New York, and (ii) the acquisition of all land, buildings and equipment in connection therewith (the "**Facility**"); and

**WHEREAS**, under the present provisions of the Act and Section 412-a of the Real Property Tax Law of the State of New York, the Authority is exempt from the payment of taxes imposed upon real property and improvements owned by it, other than special ad valorem levies, special assessments and service charges against real property which are or may be imposed for special improvements or special district improvements; and

**WHEREAS**, the Authority and the Company deem it necessary and proper to enter into an agreement making provisions for payments in lieu of taxes by the Company to the Authority for the benefit of the County of Cayuga (the "**County**"), City of Auburn (the "**City**"), and the Auburn City School District ("**School**" and, collectively, 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      Representations and Warranties:

1.1      Representations and Warranties by the Company.      The Company does hereby represent and warrant as follows:

(a)      The Company is a corporation duly organized and validly existing under the laws of the State of Delaware and duly qualified and authorized to do business under the laws of the State of New York, and by proper action by its Board of Directors, has been duly authorized to execute, deliver and perform this Agreement.

(b)      The Company is authorized and has the corporate power to enter into this Agreement and the transactions contemplated hereby and to perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement. The Company has duly authorized the execution, delivery and performance of this Agreement and the consummation of the transactions herein contemplated. The Company is not prohibited from entering into this Agreement and discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement by (and the execution, delivery and performance of this Agreement, the consummation of the transactions contemplated hereby and the fulfillment of and compliance with the provisions of this Agreement will not in any material respect conflict with or violate or constitute a material breach of or a default under) the terms, conditions or provisions of any law, rule, regulation or order of any court or other agency or authority of government, or any contractual limitation, restriction or outstanding indenture, deed of trust, mortgage, loan agreement, other evidence of indebtedness or any other agreement or instrument to which the Company is a party or by which it or any of its property is bound, and neither the Company's entering into this Agreement nor the Company's discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement will be in any material respect in conflict with or result in a breach of or constitute (with due notice and/or lapse of time) a default under any of the foregoing, or result in the creation or imposition of any lien of any nature upon any of the property of the Company under the terms of any of the foregoing, and this Agreement is the legal, valid and binding obligation of the Company enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting enforcement of creditors' rights generally, or by general principles of equity.

(c) No consent, approval or authorization of, or filing, registration or qualification with, any governmental or public authority on the part of the Company is required as a condition to the execution, delivery or performance of this Agreement by the Company or as a condition to the validity of this Agreement.

1.2 Representations and Warranties by the Authority. The Authority does hereby represent and warrant as follows:

(a) The Authority has been duly established under the provisions of the Act and has the power to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder.

(b) The Authority has acquired a leasehold interest in the Facility and is leasing the Facility back to the Company.

(c) The Authority is authorized and has the corporate power under the Act, its by-laws and the laws of the State to enter into this Agreement and the transactions contemplated hereby and to perform and carry out all the covenants and obligations on its part to be performed under and pursuant to this Agreement. By proper corporate action on the part of its members, the Authority has duly authorized the execution, delivery and performance of this Agreement and the consummation of the transactions herein contemplated.

(d) The Authority is not prohibited from entering into this Agreement and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement by the terms, conditions or provisions of the Act, any other law, any order of any court or other agency or authority of government, or any agreement or instrument to which the Authority is a party or by which the Authority is bound.

## Section II Covenants and Agreements:

### 2.1 Tax-Exempt Status of Facility.

(a) Pursuant to Section 2326 of the Public Authorities Law and Section 412-a of the Real Property Tax Law, the parties hereto understand that, for the period beginning on February 1, 2012 (the "**Exemption Commencement Date**") and for so long thereafter as the Authority shall hold a leasehold interest in the Facility, the Facility shall be assessed by the Affected Tax Jurisdictions as exempt upon the assessment rolls of the Affected Tax Jurisdictions prepared subsequent to the Exemption Commencement Date. The Company shall take such action as may be necessary to ensure that the Facility shall be assessed as exempt upon the assessment rolls of the Affected Tax Jurisdictions prepared subsequent to the Exemption Commencement Date, and, for so long thereafter as the Authority shall hold a leasehold interest in the Facility, the Company shall take such further action as may be necessary to maintain such exempt assessment with respect to each Affected Tax Jurisdiction. Pursuant to the provisions of the Leaseback Agreement, the Company will be required to pay all taxes and assessments lawfully

levied and/or assessed against the Facility, including taxes and assessments levied for the current tax year and all subsequent tax years until the Facility shall be entitled to exempt status on the tax rolls of the Affected Tax Jurisdictions.

(b) The parties hereto understand that the tax exemption extended to the Authority by Section 2326 of the Public Authorities Law and Section 412-a of the Real Property Tax Law does not entitle the Authority to exemption from special assessments, special district charges, special ad valorem levies (including, but not limited to, fire district charges), pure water charges and sewer charges. Pursuant to the Leaseback Agreement, the Company will be required to pay all such charges and assessments lawfully levied and/or assessed against the Facility.

## 2.2 Agreement to Make Payments.

(a) During the term of the Lease Agreement, the Company agrees to pay to the Authority, as a payment in lieu of taxes, the amounts set forth on Schedule A attached hereto and in accordance with the other provisions set forth in this Agreement.

(b) In the event the State, at any time prior to June 30, 2013, repeals the Real Property Tax Credit portion of the Qualified Empire Zone Enterprises Program or repeals the New York Corporation Franchise Tax against which the Real Property Tax Credit applies, the Authority shall, upon the request of the Company, take such action as may be necessary to ensure that the Facility shall be assessed as exempt upon the rolls of the Affected Tax Jurisdictions. The Company agrees to make periodic payments in lieu of property taxes in the year of such repeal and for each subsequent year during the term of this Agreement in the amounts set forth on Schedule B attached hereto.

(c) In the event the State, at any time prior to June 30, 2012, either (i) modifies or amends the Real Property Tax Credit portion of the Qualified Empire Zone Enterprise Program in such a manner that the Company no longer receives full reimbursement for property taxes or payments in lieu of taxes paid, or (ii) amends or repeals the New York Corporation Franchise Tax against which the Real Property Tax Credit applies in such a manner that the Company no longer receives full reimbursement for property taxes paid, the parties agree that, at the Company's election, the Company shall make payments in lieu of taxes for the year in which the Company is not fully reimbursed and for each subsequent year during the term of this Agreement in the amounts set forth on Schedule B attached hereto.

## 2.3 Valuation of Future Additions to the Facility.

(a) If there shall be a future addition to the Facility constructed or added in any manner after the date of this Agreement, the Company shall notify the Authority of such future addition ("**Future Addition**"). The notice to the Authority shall contain a copy of the application for a building permit, plans and specifications, and any other relevant evidence that the Authority may thereafter request. Upon the Authority's receipt of the notice, the parties hereto shall use their best efforts to agree upon additional

payments in lieu of tax for such Future Additions ("**Additional Payments**") and shall amend this Agreement to provide for such Additional Payments.

(b) If the parties are unable to agree on such Additional Payments, the value of the Future Additions for purposes of determining the amount of real property taxes owed by the Company shall be determined by the appropriate officer or officers of the Affected Tax Jurisdictions responsible for assessing properties (the "**Assessor**"). The Assessor shall appraise the Future Additions in the same manner as other similar properties in the general area of the Facility and place a value thereon for assessment purposes equalized, if necessary, by using appropriate equalization rates as apply in the assessment and levy of real property taxes (the "**Assessed Value**"). The Company shall be entitled to prompt written notice of the initial establishment of such Assessed Value for the Future Additions.

(c) Commencing on the first tax year following the date on which any Future Additions shall be completed, the Company agrees to make Additional Payments to the Authority with respect to such Future Additions, such Additional Payments to be computed by multiplying (x) the Assessed Value of such Future Additions determined pursuant to subsection (b) above by (y) the tax rate or rates that would be applicable to such Future Additions if the Authority did not hold a leasehold interest in the Future Additions, and (z) reduce the amount so determined by the amounts of any tax exemptions that would be afforded to the Company if the Authority did not hold a leasehold interest in such Future Additions.

(d) If the Company shall disagree with the determination of Assessed Value for any Future Additions, the Company shall have such rights, remedies and recourses available to it as would lawfully be available to the Company if the Authority did not hold a leasehold interest in the Facility and therefore not exempt upon the assessment rolls of the Affected Tax Jurisdictions. If a lesser Assessed Value is determined by a court of competent jurisdiction and the Additional Payment is thereby reduced, any excess payment shall be refunded to the Company or, in the Authority's sole discretion, such excess payment shall be applied as a credit against the next succeeding Additional Payment.

2.4 Statements. The Authority agrees to submit to the Company periodic statements specifying the amount and due date or dates of the payments due hereunder, such periodic statements to be submitted to the Company at approximately the times that tax bills are mailed. Each such statement shall coincide with the tax bills set by the Affected Tax Jurisdictions and shall be for that portion of the PILOT Agreement payment due in that year as apportioned to the taxes otherwise payable to each such entity as set forth in Section 2.6 below.

2.5 Method of Payment. All payments by the Company hereunder shall be paid to the Authority in such coin and currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

2.6 Agreement to Pay Proportionate Share. The Authority covenants and agrees that it shall make payment to each of the Affected Tax Jurisdictions its pro rata share of the payments received from the Company pursuant to Section 2.2 hereunder and the same proportion to the amount of real property tax and other taxes which would have been received by each Affected Tax Jurisdiction had the Facility not been exempt due to the status of the Authority.

2.7 Period of Benefits.

(a) The tax benefits provided for herein should be deemed to include the following tax years:

(i) July 1, 2012/July 1, 2013 School fiscal tax year through the July 1, 2020/July 1, 2021 School tax year;

(ii) July 1, 2012/July 1, 2013 City fiscal tax year through the July 1, 2020/July 1, 2021 City fiscal tax year;

(iii) January 1, 2013 County calendar tax year through the January 1, 2021 County calendar tax year.

(b) This PILOT Agreement shall expire on December 31, 2020; provided, however, the Company shall pay the 2021/2022 School tax bill, the 2021/2022 City tax bill, and the 2022 County tax bill on the dates and in the amounts as if the Authority did not hold a leasehold interest in the Facility 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 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 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 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.

2.8 Credit for Taxes Paid.

(a) It is understood and agreed that should the Company pay in any calendar year after the Exemption Commencement Date to the Affected Tax Jurisdictions any amounts in the nature of general property taxes, general assessments, service charges or other governmental charges of a similar nature levied and/or assessed upon the Facility or in the interest therein of the Company or the occupancy thereof by the Company (but not including, by way of example, (i) sales and use taxes and (ii) special assessments, special ad valorem levies or governmental charges in the nature of utility charges, including, but not limited to water, solid waste, sewage treatment or sewer or other rents, rates and

charges), then the Company's obligation to make payments in lieu of property taxes for such calendar year to the Authority hereunder shall be reduced by the amounts which the Company shall have so paid in such calendar year, but there shall be no cumulative or retroactive credit as to any payment in lieu of property taxes due to the Authority or as to any payment in lieu of property taxes due to the Authority in any other calendar year; provided that, credit for the County tax paid on January 1, 2012 shall be credited pro-rata against the PILOT payments due from July 1, 2012 through July 1, 2020, and that such amount be deducted from the amount otherwise due the County under Section 2.6 hereof.

(b) If the Company desires to claim a credit against any particular payment in lieu of tax due hereunder, the Company shall give the Authority prior written notice of its intention to claim any credit pursuant to the provisions of this Section 2.8, said notice to be given by the Company at least thirty (30) days prior to the date on which such payment in lieu of tax is due pursuant to the provisions of Section 2.2 hereof.

### Section III - Company to Furnish Subleases; Fees.

3.1 The Company agrees to furnish the commissioner of assessments of each Affected Tax Jurisdiction an annual report, certified by the Company, and if requested by each Affected Tax Jurisdiction, certified to each Affected Tax Jurisdiction by certified public accountants, of the area subleased in the Facility and to furnish copies of each and every sublease within ten (10) days of the execution of said sublease.

3.2 On the date of full execution of this PILOT Agreement, the Company agrees to pay all legal fees and disbursements incurred by the Authority with respect to the Project.

### Section IV - Transfer of Facility.

4.1 In the event that the Facility is transferred from the Authority to the Company (the Lease Agreement is terminated), 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 II herein, or this Agreement terminates and the property is not timely transferred back to the Company, the Company agrees to pay no later than the next tax lien date (plus any applicable grace period), to each of the Affected Tax Jurisdictions, 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.

4.2 The Company may sell, sublease, or otherwise transfer the Facility or any part thereof or permit a transfer of more than 49% of the total shares of capital stock of the Company which may be issued and outstanding at any time to any controlling group of shareholders only with the prior written consent of the Authority which consent shall not be unreasonably withheld, provided that the transferee assumes all of the Company's covenants, stipulations, promises, agreements and obligations contained in this Agreement.

## Section V - Assessment Challenges.

5.1 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, with respect to any proposed assessment or change in assessment with respect to the Facility 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.

5.2 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.

## Section VI - Changes in Law.

6.1 To the extent the Facility is declared to be subject to taxation or assessment by an amendment to the Act, other legislative change (other than a change in the law as contemplated in Section 2.2(b) and (c) hereof), 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 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 II within thirty (30) days of the date the payment is due (the "**Delinquency Date**") and continued failure for ten (10) days after receipt of notice from the Authority; (ii) make any other payments described herein on or before the last day of any applicable cure period within which said payment can be made without penalty and continued failure for ten (10) days after receipt of notice from the Authority; (iii) failure of the Company to observe and perform any other covenant, condition or agreement on its part to be observed and performed, other than as referred to in (i) and (ii) above, and continuance of such failure for a period of thirty (30) days after notice to the Company specifying the nature of such failure and requesting that it be remedied; (iv) any warranty, representation or other statement by or on behalf of the Company contained in this Agreement shall prove to have been false or incorrect in any material respect on the date when made or on the effective date of this Agreement; or (v) the occurrence and continuance of any events of default under the Lease Agreement after any applicable cure periods. Upon the occurrence of any Event of Default hereunder, in addition to any other right or remedy the Authority and/or the Affected Tax Jurisdictions may have at law or in equity, the Authority and/or Affected Tax Jurisdictions may, immediately and without further notice to the Company (but with notice to the Authority 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.

7.2 If payments pursuant to Section II 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 II 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, a late charge equal to six percent (6%) of the amount due plus interest on said payment equal to one percent (1%) per month or fraction thereof until said amount is paid in full. 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 or penalties and interest which would have been incurred had payments made hereunder been tax payments to the Affected Tax Jurisdictions.

7.3 Whenever any Event of Default shall have occurred with respect to this Agreement, the Authority may take whatever action at law or in equity as may appear necessary or desirable to collect the amount then in default or to enforce the performance and observance of the obligations, agreements and covenants of the Company under this Agreement.

7.4 Whenever any Event of Default shall have occurred with respect to this Agreement, the Authority may upon sixty (60) days notice to the Company, record any documents necessary in the appropriate county clerk's office, conveying the premises to the Company and/or terminating the Lease Agreement. The Company hereby appoints the Authority as its attorney in fact to execute and deliver all documents necessary for such conveyance and/or termination, and recording thereof in the county clerk's office shall constitute delivery thereof so long as notice thereof, including a copy with notice of recording, is sent to the Company.

7.5 If the Company should default in performing any of its obligations, covenants and agreements under this Agreement and the Authority should employ attorneys or incur other expenses for the collection of any amounts payable hereunder or for the enforcement of performance or observance of any obligation or agreement on the part of the Company herein contained, the Company agrees that it will, on demand therefore, pay to the Authority the reasonable fees and disbursements of such attorneys and such other reasonable expenses so incurred.

7.6 No remedy herein conferred upon or reserved to the Authority is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute.

7.7 No delay or omission in exercising any right or power accruing upon the occurrence of any Event of Default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

7.8 In order to entitle the Authority to exercise any remedy reserved to it in this Agreement, it shall not be necessary to give any notice, other than such notice as may be expressly required in this Agreement.

7.9 In the event any provision contained in this Agreement should be breached by any party and thereafter duly waived by the other party so empowered to act, such waiver shall be limited to the particular breach so waived and shall not be deemed to be a waiver of any other breach hereunder. No waiver, amendment, release or modification of this Agreement shall be established by conduct, custom or course of dealing.

#### Section VIII - Miscellaneous.

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 Authority, which shall not be unreasonably withheld or delayed; provided, however, Company may assign this Agreement to an affiliate of Company without the consent of the Authority. The Company shall continue to be liable for obligations hereunder notwithstanding such assignment.

8.2 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.

8.3 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, as follows:

To the Authority: Auburn Industrial Development Authority  
Memorial City Hall  
24 South Street  
Auburn, New York 13021  
Attn.: Chairman

With a Copy to: Hancock & Estabrook, LLP  
1500 Tower I  
P.O. Box 4976  
Syracuse, New York 13221-4976  
Attn.: Richard W. Cook, Esq.

To the Company: Nucor Steel Auburn, Inc.  
25 Quarry Road  
Post Office Box 2008  
Auburn, New York 13021  
Attn: General Manager

With a Copy to: Moore & Van Allen PLLC  
Suite 4700  
100 North Tryon Street  
Charlotte, North Carolina 28202-4003  
Attn: William H. Moore, Jr.

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.

8.4 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.

8.5 All covenants, stipulations, promises, agreements and obligations of the Authority contained in this Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Authority and not of any member, officer, agent (other than the Company), servant or employee of the Authority in his individual capacity, and no recourse under or upon any obligation, covenant or agreement contained in this Agreement, or otherwise based or in respect of this Agreement, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future member, officer, agent, servant or employee, as such, of the Authority or any successor public benefit corporation or political subdivision or any person executing this Agreement on behalf of the Authority, either directly or through the Authority or any successor public benefit corporation or political subdivision or any person so executing this Agreement. It is expressly understood that this Agreement is a corporate obligation, and that no such personal liability whatsoever shall attach to, or is or shall be incurred by any such member, officer, agent (other than the Company), servant or employee of the Authority or of any successor public benefit corporation or political subdivision or any person so executing this Agreement under or by reason of the obligations, covenants or agreements contained in this Agreement or implied therefrom. Any and all such personal liability of, and any and all such rights and claims against, every such member, officer, agent, servant or employee under or by reason of the obligations, covenants or agreements contained in this Agreement or implied therefrom are, to the extent permitted by law, expressly waived and released as a condition of, and as a consideration for, the execution of this Agreement.

8.6 The obligations and agreements of the Authority contained herein shall not constitute or give rise to an obligation of the State of New York or the City of Auburn, New York, and neither the State of New York nor the City of Auburn, New York shall be liable thereon, and further such obligations and agreements shall not constitute or give rise to a general obligation of the Authority, but rather shall constitute limited obligations of the Authority payable solely from the revenues of the Authority derived and to be derived from the lease, sale or other disposition of the Facility.

8.7 Notwithstanding any provision of this Agreement to the contrary, the Authority shall not be obligated to take any action pursuant to any provision hereof unless (i) the Authority shall have been requested to do so in writing by the Company and (ii) if compliance with such request is reasonably expected to result in the incurrence by the Authority (or any of its members, officers, agents (other than the Company), servants or employees) of any liability, fees, expenses or other costs, the Authority shall have received from the Company security or indemnity satisfactory to the Authority for protection against all such liability, however remote, and for the reimbursement of all such fees, expenses and other costs.

8.8 This Agreement may not be effectively amended, changed, modified, altered or terminated unless such amendment, change, modification, alteration or termination is in writing and, in the case of any amendment, change, modification or alteration of this Agreement, unless the Company and its successors and assigns shall assume in writing the obligations of such amended, changed, modified or altered Agreement.

8.9 This Agreement shall inure to the benefit of, and shall be binding upon, the Authority, the Company and their respective successors and assigns. The provisions of this Agreement are intended to be for the benefit of the Authority and the Affected Tax Jurisdictions.

8.10 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.

8.11 This Agreement is intended to constitute the entire Agreement and to supersede all prior agreements, whether oral or written, between the parties with respect to the subject matter hereof.

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

**AUBURN INDUSTRIAL  
DEVELOPMENT AUTHORITY**

By: 

Name: Charles N. Mace

Title: Chairman

**NUCOR STEEL AUBURN, INC.**

By: 

Name: D. Michael Parrish

Title: Vice President

**SCHEDULE A  
TO  
PILOT AGREEMENT**

<u><i>City Tax Year Beginning</i></u>	<u><i>PILOT Payment</i></u>
July 1, 2012	\$454,655
July 1, 2013	\$303,103
July 1, 2014	\$221,933
July 1, 2015	\$179,544
July 1, 2016	\$179,544
July 1, 2017	\$179,544
July 1, 2018	\$179,544
July 1, 2019	\$179,544
July 1, 2020	\$179,544

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**SCHEDULE B  
TO  
PILOT AGREEMENT**

<u><i>City Tax Year Beginning</i></u>	<u><i>Payment</i></u>
July 1, 2007	\$753,436
July 1, 2008	\$753,436
July 1, 2009	\$753,436
July 1, 2010	\$753,436
July 1, 2011	\$753,436
July 1, 2012	\$212,340
July 1, 2013	\$303,103
July 1, 2014	\$221,933
July 1, 2015	\$179,544
July 1, 2016	\$179,544
July 1, 2017	\$179,544
July 1, 2018	\$179,544
July 1, 2019	\$179,544
July 1, 2020	\$179,544