

**Inducement Resolution
Mohawk, Adirondack & Northern Railroad Corp./
Genesee & Mohawk Valley Railroad Co., Inc.
2023 Lease and PILOT Extension**

RESOLUTION OF THE ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD APPROVING FINANCIAL ASSISTANCE AND EXTENDING AN EXISTING LEASE, AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT, AUTHORIZING THE AGENCY TO CONDUCT A PUBLIC HEARING AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE PROJECT.

WHEREAS, Oneida County Industrial Development Agency (the “Agency”) acquired fee title to a certain industrial development facility consisting of a railroad yard in the City of Utica, trackage in the City of Rome and a line of rail running from City of Utica to the Oneida County – Lewis County line north of Boonville (collectively, the “Improvements”), all situated on several parcels of land measuring 450± acres in the aggregate running through the City of Rome, the City of Utica, the Village of Boonville, the Village of Remsen, the Village of Holland Patent, the Town of Boonville, the Town of Remsen, the Town of Steuben, the Town of Trenton and the Town of Marcy (collectively, the “Land”); and all equipment used in connection with the operation of the Improvements (the “Equipment”), all to be used for the purpose of providing essential rail service to customers in Oneida County (the Land, the Improvements and the Equipment referred to collectively as the “Facility”); and

WHEREAS, the Agency determined that the Facility will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the County and the people of the State of New York and improve their standard of living, and thereby serve the public purposes of the Act and, as such, approved the same; and

WHEREAS, the Agency owns fee title to the Facility and leases the Facility to Mohawk, Adirondack & Northern Railroad Corp. and Genesee & Mohawk Valley Railroad Co., Inc. (collectively, the “Company”) for its operation pursuant to a First Amended and Restated Lease Agreement dated as of April 15, 2012 (the “First Amended Lease Agreement”); and

WHEREAS, the Facility is fully exempt from real property taxes pursuant to the terms of a First Amended and Restated PILOT Agreement dated April 15, 2012 (the “First Amended PILOT Agreement”); and

WHEREAS, the Company has requested the Agency extend the term of the First Amended Lease Agreement and the First Amended PILOT Agreement for ten years, all to support the Company to continue to provide uninterrupted railroad transportation operations for its customers in Oneida County and to ensure the long term viability of local rail service in Oneida County (collectively, the “2023 Facility Extension”); and

WHEREAS, in its application, the Company has committed to retain 12 existing full time equivalent positions and create 2 additional full time equivalent positions prior to the third extended lease year as a result of the 2023 Facility Extension and as a condition of Financial Assistance (the “Employment Obligation”); and

WHEREAS, the Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, the Agency is contemplating approving financial assistance in furtherance of the Facility by extending the period of time during which the Facility will be fully exempt from real property taxes for a period of ten additional years (the “Financial Assistance”), which Financial Assistance is a deviation from the Agency’s Uniform Tax Exemption Policy (the “Policy”), and which will be more particularly set forth in a final authorizing resolution; and

WHEREAS, the Company estimates the value of the requested Financial Assistance is approximately \$1,000,000.00; and

WHEREAS, the Agency is contemplating deviating from its Policy for the following reasons:

- The nature of the proposed project: The Company provides necessary rail transportation services between businesses in Oneida County and CSX Corporation.
- The nature of the property before the project begins: The project has been under a PILOT and an extension under the current terms is essential for the long-term viability of local rail service in Oneida County and uninterrupted railroad transportation operations.
- The economic condition of the area at the time of the application: The Facility is located in an area that was designated an economic development zone pursuant

to Article 18-B of the General Municipal Law, and is therefore located in a "highly distressed area" (as defined in Section 854(18) of the New York General Municipal Law) and remains a targeted area for development.

- The extent to which a project will create or retain permanent, private sector jobs: The company will be retaining 12 jobs and creating 2 jobs.
- The impact of the project and the proposed tax exemptions on affected tax jurisdictions: It will have no impact on affected tax jurisdictions insofar as the project has been under a 100% PILOT for 20+ years
- The impact of the proposed project on existing and proposed businesses and economic development projects in the County: Increasing of taxes on the project would result in increased fees to the users of the railroad service. The Company provides the sole rail service to the Griffiss Business & Technology Park and several tenants within the Park rely on its service. The company is dedicated to meeting the rail obligations to businesses under the rail lines.
- The extent to which the proposed project will provide a benefit (economic or otherwise) not otherwise available within the County of Oneida: The sole business of the Company is to provide essential rail transportation services in Oneida County.

WHEREAS, prior to the closing of an amended sale-leaseback transaction, and the granting of any Financial Assistance, a public hearing (the "Hearing") will be held so that all persons with views in favor of or opposed to either the Financial Assistance contemplated by the Agency, or the location or nature of the Facility, can be heard; and

WHEREAS, notice of the Hearing will be given prior to the closing of an amended sale-leaseback transaction, and the granting of any Financial Assistance, and such notice (together with proof of publication) will be substantially in the form annexed hereto as **Exhibit A**; and

WHEREAS, the minutes of the Hearing are or will be annexed hereto as **Exhibit B**; and

WHEREAS, the Agency has given due consideration to the application of the Company and to representations by the Company that the proposed amended sale-leaseback transaction is either an inducement to the Company to maintain and expand the Facility in the County or is necessary to maintain the competitive position of the Company in its industry; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto by the Department of Environmental Conservation

of the State of New York (collectively, the "SEQR Act" or "SEQRA"), the Agency constitutes a "State Agency"; and

WHEREAS, to aid the Agency in determining whether the Facility may have a significant effect upon the environment, the Company has prepared and submitted to the Agency an Environmental Assessment Form and related documents (the "Questionnaire") with respect to the Facility, a copy of which is on file at the office of the Agency; and

WHEREAS, by resolution adopted on March 16, 2012, the Agency determined that, based upon the review by the Agency of the materials submitted and the representation made by the Company relating to the Facility, the Facility would not have a "significant impact" or "significant effect" on the environment within the meaning of the SEQR Act; and

NOW, THEREFORE, BE IT RESOLVED by the Oneida County Industrial Development Agency (a majority of the members thereof affirmatively concurring) that:

- Section 1.
- (a) The 2023 Facility Extension and the Agency's Financial Assistance therefor, will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the County and the people of the State of New York and improve their standard of living, and thereby serve the public purposes of the Act and the same is, therefore, approved.
 - (b) It is desirable and in the public interest for the Agency to grant the Financial Assistance in support of the 2023 Facility Extension and enter into an amended sale-leaseback transaction for the purpose of providing continued Financial Assistance for the Facility, as reflected in the Company's application to the Agency and as amended from time to time prior to the closing of the amended sale-leaseback transaction.
 - (c) The SEQRA findings adopted by the Agency on March 16, 2012 satisfied the requirements of SEQRA and are hereby reaffirmed, and no new SEQRA review is required in connection with the 2023 Facility Extension.

Section 2. The form and substance of a proposed inducement agreement (in substantially the form presented to this meeting) by and between the Agency and the Company setting forth the undertakings of the Agency and the Company with respect to the closing of the amended sale-leaseback transaction, and the 2023 Facility Extension (the "Agreement") is hereby approved. The Chairman of

the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Agreement, with such changes in terms and form as the Chairman shall approve. The execution thereof by the Chairman shall constitute conclusive evidence of such approval.

- Section 3.
- (a) The Agency shall assist the Company in the 2023 Facility Extension and will provide the Financial Assistance with respect thereto subject to (i) obtaining all necessary governmental approvals, (ii) approval of the directors of Company, (iii) approval of the members of the Agency, (iv) satisfactory completion of the environmental review of the Facility by the Agency in compliance with the State Environmental Quality Review Act, (v) agreement by the Agency and Company upon mutually acceptable terms and conditions for the amendment to the Leaseback Agreement and other documentation usual and customary to transactions of this nature, (vi) the condition that there are no changes in New York State Law which prohibit or limit the Agency from fulfilling its obligation and commitment as herein set forth to enter into the amended sale-leaseback transaction and (vii) payment by Company of the transaction fee and disbursements of the Agency and the fees and disbursements of transaction counsel, more particularly described in the Inducement Agreement.
 - (b) The Agency's provision of Financial Assistance with respect to the 2023 Facility Extension is also subject to the following conditions:
 - i. The existing sale-leaseback transaction shall be converted to a lease-leaseback transaction, and at closing the Agency will reconvey fee title to all property back to the Company subject to the new leasehold estates to be created;
 - ii. The Leaseback Agreement shall include insurance provisions containing such limits and terms to be recommended and approved by the Agency's insurance agent;
 - iii. Due to the unique nature of the Facility being an infrastructure project and to ensure public safety, the Company agrees to regularly maintain the Facility and shall submit with its annual report a summary of annual maintenance activity and expenditures;

- iv. Evidence that the Company has entered into an agreement with GLDC to continue to provide rail service to Griffiss Business and Technology Park for a minimum of ten years;
- v. The following conditions in the existing Lease Agreement shall remain intact:
 - (a) The Company agrees not to unreasonably withhold or unreasonably condition access or crossing or utility rights (the "Rights") to any municipality located in the County of Oneida, and to charge no more for existing and future Rights than actual and reasonable out-of-pocket costs incurred by the Company attendant with the portion of tracks to which the Rights pertain.
 - (b) The Company agrees not to unreasonably withhold or unreasonably condition easement or license agreements for utilities or access to adjacent private property owners provided however that the Company may charge such private property owners the actual costs incurred by the Company for creating and maintaining, and increased operating costs resulting from, such easements and licenses and further provided that the Company may charge private developers a market price for easements and licenses where other access is available to such private developers but access through and over the Facility is financially and/or practically advantageous to such private developers, and further provided that nothing contained herein shall be deemed or construed to prevent the Company from charging at all times and under all circumstances market prices for easements and licenses for utility (gas, oil, water, electricity, cable, telephone, Internet, etc.) transmission facilities to the extent they do not serve adjoining private property.
 - (c) The Company agrees to be responsible for regular maintenance and cleanup of the Facility, provided however, that nothing shall preclude the Company from requiring third parties to maintain and keep clean the specific areas covered by their easements or licenses.

Section 4.

The Agency is hereby authorized and directed to schedule the Hearing, so that the Agency may receive comments from all interested parties on the financial assistance contemplated by the Agency and the Financial Assistance requested by Company.

Section 5. The law firm of Bond, Schoeneck & King, PLLC is appointed Transaction Counsel in connection with the amended sale-leaseback transaction.

Section 6. Counsel to the Agency and Transaction Counsel are hereby authorized to work with counsel to Company and others to prepare, for submission to the Agency, all documents necessary to effect the amended sale-leaseback transaction.

Section 7. The Chairman of the Agency is hereby authorized and directed (i) to distribute copies of this resolution to Company; (ii) distribute copies of this resolution (including the reasons for deviating from Policy) and notice of the Hearing by certified mail, return receipt requested, to all affected taxing jurisdictions and (iii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 8. This resolution shall take effect immediately.

STATE OF NEW YORK)
): ss.:
 COUNTY OF ONEIDA)

I, the undersigned Secretary of the Oneida County Industrial Development Agency DO HEREBY CERTIFY THAT:

I have compared the foregoing copy of a resolution of the Oneida County Industrial Development Agency (the “Agency”), with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter.

Such resolution was passed at a meeting of the Agency duly convened in public session on May 5, 2023 at eight a.m., local time, at Rome, New York which the following members were:

Members Present: David Grow, Steve Zogby, Mike Fitzgerald, Mary Faith Messenger, Kirk Hinman, Gene Quadraro.

Members Present – WebEx: Ferris Betrus.

EDGE Staff Present: Shawna Papale, Maureen Carney, Tim Fitzgerald, Laura Cohen, Mark Kaucher, Chris Lawrence, Hannah Phillips.

EDGE Staff Present – WebEx: Bill Van Shufflin

Other Attendees: Mark Levitt, Levitt & Gordon; Rome Mayor Jackie Izzo, Shaun Kaleta, Oneida County.

Other Attendees – WebEx: Paul Goldman, Goldman Attorneys PLLC; Linda Romano and Laura Ruberto, Bond, Schoeneck & King; Greg Mountain, Collins Solar LLC; and Bailey Irwin, Sunlight General Capital, LLC

The question of the adoption of the foregoing resolution was duly put to vote, which resulted as follows:

Voting Aye

Voting Nay

- David Grow
- Mike Fitzgerald
- Ferris Betrus
- Kirk Hinman
- Mary Faith Messenger
- Gene Quadraro
- Steve Zogby

and, therefore, the resolution was declared duly adopted.

The Agreement and the Application are in substantially the form presented to and approved at such meeting.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of said meeting, (ii) the meeting was open for the public to attend and public notice of the date, time and location for the meeting was duly given, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout the meeting.

IN WITNESS WHEREOF, I have hereunto set my hand as of _____, 2023.

Shawna Papale, Secretary

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that public hearings pursuant to Article 18-A of the New York State General Municipal Law, will be held by the Oneida County Industrial Development Agency (the "Agency") on the 18th day of April 2023 at 9:00 a.m., local time, at 584 Phoenix Drive, Rome, New York and on the 20th day of April 2023 at 9:00 a.m., local time, at Oneida County Legislative Chambers, 10th Floor, Oneida County Office Building, 800 Park Avenue, Utica, New York in connection with the following matters:

The Agency acquired fee title to a certain industrial development facility consisting of a railroad yard in the City of Utica, trackage in the City of Rome and a line of rail running from City of Utica to the Oneida County – Lewis County line north of Boonville (collectively, the "Improvements"), all situated on a 450± acre parcel of land running through the City of Rome, the City of Utica, the Village of Boonville, the Village of Remsen, the Village of Holland Patent, the Town of Boonville, the Town of Steuben, the Town of Trenton and the Town of Marcy (collectively, the "Land"); and all equipment used in connection with the operation of the Improvements (the "Equipment"), all to be used for the purpose of providing essential rail service to customers in Oneida County (the Land, the Improvements and the Equipment referred to collectively as the "Facility").

The Agency leases the Facility to Mohawk, Adirondack & Northern Railroad Corp. and Genesee & Mohawk Valley Railroad Co., Inc. (collectively, the "Company") for its operation pursuant to a First Amended and Restated Lease Agreement dated as of April 15, 2012 (the "First Amended Lease Agreement"). The Facility is fully exempt from real property taxes pursuant to the terms of a First Amended and Restated PILOT Agreement dated April 15, 2012 (the "First Amended PILOT Agreement"). The Company has requested the Agency extend the term of the First Amended Lease Agreement and the First Amended PILOT Agreement for an additional ten years, all to support the Company as it continues to provide uninterrupted railroad transportation operations to its customers and to ensure the long-term viability of local rail service in Oneida County (collectively, the "2023 Facility Extension"). The Agency will convey the Facility to the Company, subject to the First Amended Lease Agreement; the Company will lease the Facility to the Agency and the Agency will lease the Facility back to the Company. At the end of the lease term, the Agency will terminate its leasehold interest in the Facility. The Facility will be initially owned and/or operated by the Company.

The Agency is contemplating providing the above-described financial assistance in connection with the 2023 Facility Extension, which financial assistance is a deviation from the Agency's Uniform Tax Exemption Policy, which is more particularly described in the Inducement Resolution adopted by the Agency on

March 28, 2023 and to be confirmed in the final authorizing resolution to be adopted prior to the closing of the transactions described herein.

A representative of the Agency will at the above-stated times and places hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance to Company or the location or nature of the Facility. Comments may also be submitted to the Agency in writing or electronically. Following the hearings, minutes of the Public Hearings will be transcribed and posted on the Agency's website with video recordings. A copy of the Application for Financial Assistance filed by the Company with the Agency, including an analysis of the costs and benefits of the proposed Facility, is available for public inspection at the offices of the Agency, 584 Phoenix Drive, Rome, New York and on the Agency's website.

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

Dated: April 4, 2023

By: /s/ Shawna M. Papale, Executive Director

EXHIBIT B

MINUTES OF PUBLIC HEARING

Oneida County Industrial Development Agency
Mohawk, Adirondack & Northern Railroad Corp./
Genesee & Mohawk Valley Railroad Co., Inc.
2023 Facility Expansion Project

1. Timothy Fitzgerald, representing the Oneida County Industrial Development Agency (the "Agency"), called the hearing to order at _____ a.m.
2. Mr. Fitzgerald being the Assistant Secretary of the Agency recorded the minutes of the hearing.
3. Mr. Fitzgerald then described the proposed project and related financial assistance as follows:

The Agency acquired fee title to a certain industrial development facility consisting of a railroad yard in the City of Utica, trackage in the City of Rome and a line of rail running from City of Utica to the Oneida County – Lewis County line north of Boonville (collectively, the "Improvements"), all situated on a 450± acre parcel of land running through the City of Rome, the City of Utica, the Village of Boonville, the Village of Remsen, the Village of Holland Patent, the Town of Boonville, the Town of Steuben, the Town of Trenton and the Town of Marcy (collectively, the "Land"); and all equipment used in connection with the operation of the Improvements (the "Equipment"), all to be used for the purpose of providing essential rail service to customers in Oneida County (the Land, the Improvements and the Equipment referred to collectively as the "Facility").

The Agency leases the Facility to Mohawk, Adirondack & Northern Railroad Corp. and Genesee & Mohawk Valley Railroad Co., Inc. (collectively, the "Company") for its operation pursuant to a First Amended and Restated Lease Agreement dated as of April 15, 2012 (the "First Amended Lease Agreement"). The Facility is fully exempt from real property taxes pursuant to the terms of a First Amended and Restated PILOT Agreement dated April 15, 2012 (the "First Amended PILOT Agreement"). The Company has requested the Agency extend the term of the First Amended Lease Agreement and the First Amended PILOT Agreement for an additional ten years, all to support the Company as it continues to provide uninterrupted railroad transportation operations to its customers and to ensure the long-term viability of local rail service in Oneida County (collectively, the "2023

Facility Extension”). The Agency will convey the Facility to the Company, subject to the First Amended Lease Agreement; the Company will lease the Facility to the Agency and the Agency will lease the Facility back to the Company. At the end of the lease term, the Agency will terminate its leasehold interest in the Facility. The Facility will be initially owned and/or operated by the Company.

The Agency is contemplating providing the above-described financial assistance in connection with the 2023 Facility Extension, which financial assistance is a deviation from the Agency’s Uniform Tax Exemption Policy, which is more particularly described in the Inducement Resolution adopted by the Agency on March 28, 2023 and to be confirmed in the final authorizing resolution to be adopted prior to the closing of the transactions described herein.

4. Mr. Fitzgerald then opened up the hearing for comments from the floor for or against the proposed financial assistance and the location and nature of the Facility. Attached is a listing of the persons heard and a summary of their views.
5. Mr. Fitzgerald then asked if there were any further comments, and, there being none, the hearing was closed at _____ a.m.

Tim Fitzgerald, Assistant Secretary

STATE OF NEW YORK)
 : SS.:
COUNTY OF ONEIDA)

I, the undersigned Secretary of the Oneida County Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the foregoing copy of the minutes of a public hearing held by the Oneida County Industrial Development Agency (the "Agency") on _____, 2023 at _____ local time, 584 Phoenix Drive, City of Rome, New York, with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of the minutes in connection with such matter.

I FURTHER CERTIFY that (i) the hearing was open for the public to attend and public notice of the date, time and location for said hearing was duly given, (ii) the hearing in all respects was duly held, and (iii) members of the public had an opportunity to be heard.

IN WITNESS WHEREOF, I have hereunto set my hand as of _____, 2023.

Secretary