

INITIAL PROJECT RESOLUTION

(Finger Lakes Railway Corp. Project – Proposed Lease and PILOT Extension)

A regular meeting of Schuyler County Industrial Development Agency was convened on Wednesday, December 11, 2024 at 5:00 p.m.

The following resolution was duly offered and seconded, to wit:

Resolution No. 2024 - 04

RESOLUTION OF THE SCHUYLER COUNTY INDUSTRIAL DEVELOPMENT AGENCY (i) ACCEPTING THE APPLICATION OF FINGER LAKES RAILWAY CORP. (THE "COMPANY") WITH RESPECT TO THE EXTENSION OF A CERTAIN PROJECT (AS MORE FULLY DEFINED BELOW); (ii) AUTHORIZING THE SCHEDULING AND CONDUCT OF PUBLIC HEARINGS WITH RESPECT TO THE PROJECT; (iii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AGENCY; AND (iv) AUTHORIZING THE NEGOTIATION OF CERTAIN AGREEMENTS RELATING TO THE PROJECT

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 21 of the Laws of 1971 of the State of New York, (hereinafter collectively called the "Act"), the **SCHUYLER COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (hereinafter called the "Agency") was created with the authority and power to promote, develop, encourage and assist in acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial, research, and recreational facilities as authorized by the Act, and in connection therewith to issue its revenue bonds, enter into straight lease transactions and provide other forms of financial assistance; and

WHEREAS, the Agency and Company previously undertook a certain project (herein, the "Project") consisting of the acquisition, operation and maintenance of the "Geneva Cluster" of rail lines located within Yates County, Schuyler County, Seneca County, Cayuga County, Onondaga County and Ontario County, such Project having been primarily undertaken by the Agency and the Company pursuant to a certain Lease Agreement, dated as of July 21, 1995 (the "1995 Lease"), and as a "Railroad Facility" authorized and approved in 1995 by the New York State Department of Transportation ("NYSDOT") pursuant to and in accordance with Section 854(11) of the Act; and

WHEREAS, pursuant to the renewal terms of the 1995 Lease, the Agency previously approved an additional ten (10) year term for the 1995 Lease, which was contemplated within the Lease as the second renewal term subject to discretion of the Agency, the Agency and Company entered into a certain Amended and Restated Lease Agreement, dated as of February 12, 2016 (the "2016 Lease"), along with a related Lease Agreement from Company to Agency (the "Underlying Lease"), a related Payment in Lieu of Tax Agreement (the "PILOT Agreement"),

along with related documents, each dated as of February 12, 2016 (the "2016 Agency Documents"), wherein the 2016 Agency Documents are set to expire as of June 30, 2025; and

WHEREAS, the Company has submitted an application to the Agency (the "Application") requesting the Agency's continued and additional assistance for the Project, which would consist of (i) the omnibus amendment to the 2016 Agency Documents to provide a defined extension period of time to continue the undertaking of the Project; (ii) the provision of additional financial assistance to the Company (as detailed herein), and (iii) the continuation of the existing 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, pursuant to Article 18-A of the Act, the Agency desires to adopt a resolution describing the Project and the financial assistance that the Agency is contemplating with respect to the Project; and

WHEREAS, pursuant to and in accordance with Section 859-a of the Act, the Agency desires to schedule and conduct one or more public hearing relating to the Project and the proposed financial assistance contemplated by the Agency (collectively, the "Financial Assistance"), such Financial Assistance to include (i) sales and use tax exemptions for purchases and rentals related to the construction and equipping of the Facility, and (ii) a partial real property tax abatement provided through an amendment to the PILOT Agreement; and

WHEREAS, the Agency desires to (i) accept the Application, (ii) authorize the scheduling and conduct of one or more public hearings pursuant to and in accordance with the Act (the "Public Hearings"), and (iii) authorize the negotiation of an Agent Agreement, and amendments to the 2016 Agency Documents (the "Amendments") to allow the Company to undertake the project as agent of the Agency following the Public Hearing and pursuant to future authorization by the Agency.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE SCHUYLER COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Company has presented the Application and related information in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency, the Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) The Agency has the authority to take the actions contemplated herein under the Act, subject to securing any necessary approvals and/or waivers from NYSDOT pursuant to and in accordance with Section 854(11) of the Act; and

(C) The action to be taken by the Agency will induce the Company to continue to operate, maintain, repair and replace the Project, thereby increasing employment opportunities and supporting critical industry in the Towns of Dix and Reading and Village of Watkins Glen, Schuyler County, New York, and otherwise furthering the purposes of the Agency as set forth in the Act;

(D) The Project will not result in the removal of a facility or plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Agency hereby finds that, based on the Company's Application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other facility or plant to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries.

Section 2. The Chair (or Vice Chair) and/or Chief Executive Officer of the Agency are hereby authorized, on behalf of the Agency, to schedule, notice and conduct the Public Hearings in compliance with the Act.

Section 3. The Agency hereby authorizes the Chair (or Vice Chair) and/or Chief Executive Officer of the Agency to negotiate the terms of, but not execute, an Agent Agreement and the Amendments and related documents for authorization by the Agency following the Public Hearing(s).

Section 4. Harris Beach PLLC, as Transaction Counsel for the Agency, is hereby authorized to work with counsel to the Company and others to prepare for the Public Hearing(s) and prospective authorizations by the Agency in furtherance of the Project.

Section 5. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 6. These Resolutions shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to vote on roll call, which resulted as follows:

	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>	<u>Abstain</u>
Carl L. Taber	[✓]	[]	[]	[]
John Terry	[✓]	[]	[]	[]
Carl Blowers	[✓]	[]	[]	[]
Margaret Lawrence	[✓]	[]	[]	[]
Laury Ward	[✓]	[]	[]	[]
Mark Taylor	[✓]	[]	[]	[]
Chad Hendrickson	[✓]	[]	[]	[]

The Resolution was thereupon declared duly adopted.

SECRETARY'S CERTIFICATION

STATE OF NEW YORK)
COUNTY OF SCHUYLER) SS:

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

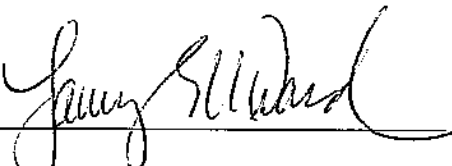
That I have compared the annexed extract of minutes of the meeting of the Schuyler County Industrial Development Agency (the "Agency"), including the resolution contained therein, held on December 11, 2024, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolution set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

I FURTHER CERTIFY, that all members of said Agency had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with such Article 7.

I FURTHER CERTIFY, that there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY, that as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency this 11 day of December 2024.


Secretary

[SEAL]