AUTHORIZING RESOLUTION

A meeting of Jefferson County Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency at 800 Starbuck Avenue, in the City of Watertown, Jefferson County, New York on September 1, 2016, at 8:30 a.m., local time.

The meeting was called to order by the Chairperson and, upon being called, the following members of the Agency were:

PRESENT: David Converse, Donald DiMonda, W. Edward Walldroff, John Jennings, Jeremiah Maxon, and Robert E. Aliasso, Jr.

ABSENT: Michelle Pfaff

FOLLOWING PERSONS WERE ALSO PRESENT: Donald Alexander, David Zembiec, Lyle Eaton, Peggy Sampson, Marshall Weir, Joseph Russell, Esq., Francis Tom Iorizzo, Lance Evans, and Marcus Wolf of the Watertown Daily Times

The following resolution was offered by Mr. DiMonda, seconded by Mr. Maxon, to wit;

Resolution No.:09.01.2016.01

RESOLUTION AUTHORIZING OFFICIAL ACTION IN CONNECTION WITH A LEASE/LEASEBACK TRANSACTION FOR A COMMERCIAL PROJECT FOR MOHAWK, ADIRONDACK & NORTHERN RAILROAD CORPORATION (THE "COMPANY").

WHEREAS, Jefferson County Industrial Development Agency (the "Agency') is authorized and empowered by the provisions of Chapter 1030 of Laws of 1969 of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act') and Chapter 77 of the 1974 Laws of New York, as amended, constituting Section 902 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act') to promote, develop, encourage and assist in the acquiring, constructing, renovating, improving, maintaining, equipping and furnishing of commercial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more "projects" (as defined in the Act) or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, pursuant to an application, including a cost benefits analysis (the "Application"), submitted to the Agency by Mohawk, Adirondack & Northern Railroad Corporation (the "Company"), wherein the Agency has been requested to consider undertaking a project (the "Project"), consisting of the following:

(A) (1) The acquisition of an interest in certain property located in the Village of Carthage (Tax Parcel No. 86.40-2-37) and North of Carthage to the Jefferson County Line, New York (Tax Parcel Nos. 68.00-1-65, 78.00-2-21, and 86.00-2-6), in the Town of Wilna (the "Land") and,

(2) The renovation, modernization and equipping of an existing commercial railroad (the "Improvements") located on a strip of land from Newton Falls, New York to the Jefferson County border with Lewis County in the direction of Carthage, New York (the "Land" and with the Improvements are collectively the "Facility"),

(B) The granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including exemption from certain sales taxes, mortgage recording taxes and real property taxes (collectively, the "Financial Assistance"); and

(C) The lease or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, the Chief Executive Officer of the Agency has (A) caused notice of a public hearing of the Agency to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project (the "Public Hearing") to be mailed on August 12, 2016 to the chief executive officer of the County, Town and School District in which the Project is to be located, (B) caused notice of the Public Hearing to be published on August 15, 2016 in the Watertown Daily Times, a newspaper of general circulation available to residents of the County of Jefferson, (C) conducted the Public Hearing on August 31, 2016 at 10:00 o'clock a.m., local time at the Town of Wilna Municipal offices, located at 414 State Street, Carthage, New York, (D) prepared a report of the Public Hearing which fairly summarized the views presented at said Public Hearing and distributed same to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the SEQR Act") and the regulations (the "Regulations") adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, "SEQRA"), this Board has reviewed a short form Environmental Assessment Form submitted by the Applicant, has determined that the project will be completed primarily within the confines of the existing rail bed with minimal material change and therefore it was determined the Project will not have a significant impact on the environment. Therefore a negative declaration is hereby declared, and a negative declaration will be prepared with respect to the Project; and

WHEREAS, in order to consummate the Project and the granting of the Financial Assistance described in the notice of the Public Hearing, the Agency proposes to enter into the following documents with the Company (hereinafter collectively referred to as the "Agency Documents"):

(A) A lease to the Agency (and a memorandum thereof) (the "Underlying Lease") by and between the Company, as landlord, and the Agency, as tenant pursuant to which the Company will lease to the Agency the Project Facility;

(B) A lease agreement (and a memorandum thereof) (the "Lease Agreement") by and between the Agency and the Company, pursuant to which, among other things, the Company agrees to undertake the Project as agent of the Agency and the Company further agrees to lease the Project Facility from the Agency and to pay all legal fees and expenses incurred by the Agency with respect to the Project;

(C) A payment in lieu of tax agreement (the "Payment in Lieu of Tax Agreement" or the "PILOT") by and between the Agency and the Company, pursuant to which the Company will agree to make certain payments in lieu of taxes with respect to the Project Facility; and

(D) Various certificates relating to the Project (the "Closing Documents"); and

WHEREAS, the Agency has given due consideration to the Application and to the representations by the Company that the granting by the Agency of the Financial Assistance with respect to the Project will be in an inducement to the Company to undertake the Project in Jefferson County, New York; and

WHEREAS, the Company, the Agency, and the respective taxing jurisdictions have all agreed on a certain Payment in Lieu of Taxes Agreement and distribution schedule to the taxing jurisdictions of such payments in lieu of taxes in substantially the form and affect and appears at Exhibit "A" to this Resolution; and

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

Section 1 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 Project constitutes a "project", as such term is defined in the Act; and

(C) The acquisition of the Project Facility and the lease of the Project Facility to the Company will promote and maintain the job opportunities, general prosperity and economic welfare of the citizens of Jefferson County, New York and the State of New York and improve their standard of living; and

(D) It is desirable and in the public interest for the Agency grant to the Company the relief provided by the Payment In Lieu of Taxes Agreement, and to enter into the Agency Documents upon the satisfaction of all conditions thereto.

Section 2 In consequence of the foregoing, the Agency hereby determines that the granting of the Financial Assistance by the Agency with respect to the Project, through the granting of various tax exemptions described herein, and set forth on the exhibits attached hereto, will promote the job opportunities, health, general prosperity and economic welfare of the inhabitants of Jefferson County, New York and the State of New York, and improve their standard of living, and thereby serve the public purposes of the Act.

Section 3 In consequence of the foregoing, and subject to the satisfactions of any conditions as imposed herein or as may be required by the Act, the Agency hereby determines to:

(A) Proceed with the Project;

(B) Acquire the Project Facility;

(C) Accept an Underlying Lease of the Project on terms to be determined by the Agency;

(D) Lease the Project Facility to the Company pursuant to a Lease Agreement on terms to be determined by the Agency;

(E) Enter into the Payment in Lieu of Tax Agreement in the form and substance as attached hereto; and

(F) Execute and deliver the other Agency Documents upon terms and conditions satisfactory to the Chief Executive Officer; and

(G) Execute and deliver the Closing Documents upon terms and conditions satisfactory to the Chief Executive Officer; and

(H) Grant the Financial Assistance with respect to the Project.

Section 4 The Agency is hereby authorized to acquire a leasehold interest in the Project Facility pursuant to an Underlying Lease and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

Section 5 The Agency is hereby authorized to acquire the Project Facility as described in the Lease Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby ratified, confirmed and approved.

Section 6

(A) The Chief Executive Officer of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Agency Documents and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in substantially the forms thereof presented to this meeting, with such changes, variations, omissions and insertions thereto as the Chief Executive Officer shall approve, the execution thereof by the Chief Executive Officer to constitute conclusive evidence of such approval.

(B) The Chief Executive Officer of the Agency is hereby further authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Lease Agreement).

Section 7 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 or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional 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 Resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 8 This Resolution shall take effect immediately.

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

David J. Converse	VOTING	AYE
Donald DiMonda	VOTING	AYE
Michelle D. Pfaff	VOTING	ABSENT
W. Edward Walldroff	VOTING	AYE
John Jennings	VOTING	AYE
Jeremiah Maxon	VOTING	AYE
Robert E. Aliasso, Jr.	VOTING	AYE

The foregoing Resolution was thereupon declared and duly adopted.