

HARRIS BEACH PLLC
ATTORNEYS AT LAW

99 GARNSEY ROAD
PITTSFORD, NEW YORK 14534
(585) 419-8800

AMY ABBINK
PARALEGAL
DIRECT: (585) 419-8744
FAX: (585) 419-8817
AABBINK@HARRISBEACH.COM

September 1, 2020

To: Assessor and Chief Elected Officials
Officials Listed on Schedule A

Re: Steuben County Industrial Development Agency and B&H Rail Corp.:
Distribution of Amended and Restated Tax Agreement and NYS Form
RP-412-a, "Application for Real Property Tax Exemption"

Ladies and Gentlemen:

On behalf of the Steuben County Industrial Development Agency, I have enclosed for you, the Assessor and Chief Elected Officials of each taxing jurisdiction within which the above-referenced project is located, a completed and signed amended "Application for Real Property Tax Exemption" on NYS Form RP-412-a with attached copy of signed Amended and Restated Tax Agreement.

Should you have questions, please contact me at (585) 419-8744.

Very truly yours,



Amy Abbink
Paralegal

Enclosures

Schedule A

Certified Mail

No. 9489-0090-0027-6262-2373-10

Steuben County Legislature
Attn: Chair
County Office Building
3 East Pulteney Square
Bath, New York 14810

Certified Mail

No. 9489-0090-0027-6262-2373-34

Director of Real Property Tax Services
County Office Building
3 East Pulteney Square
Bath, New York 14810

Certified Mail

No. 9489-0090-0027-6262-2373-58

Town of Bath
Attn: Town Supervisor
110 Liberty Street
Bath, New York 14810

Certified Mail

No. 9489-0090-0027-6262-2373-72

Bath Central School District
Attn: Superintendent
25 Ellas Avenue
Bath, New York 14810

Certified Mail

No. 9489-0090-0027-6262-2373-96

Village of Painted Post
Attn: Mayor
261 Steuben Street
PO Box 110
Painted Post, New York 14870

Certified Mail

No. 9489-0090-0027-6262-2373-27

Steuben County Administrator
3 East Pulteney Square
County Office Building
Bath, New York 14810

Certified Mail

No. 9489-0090-0027-6262-2373-41

Town and Village of Bath
Attn: Acting Assessor
110 Liberty Street
Bath, New York 14810

Certified Mail

No. 9489-0090-0027-6262-2373-65

Bath Central School District
Attn: Board of Education President
25 Ellas Avenue
Bath, New York 14810

Certified Mail

No. 9489-0090-0027-6262-2373-89

Village of Bath
Attn: Mayor
110 Liberty Street
Bath, New York 14810

Certified Mail

No. 9489-0090-0027-6262-2374-02

Village of Painted Post
Attn: Assessor
261 Steuben Street
PO Box 110
Painted Post, New York 14870

Certified Mail

No. 9489-0090-0027-6262-2374-19

Village of Savona

Attn: Mayor

15 McCoy Street

PO Box 411

Savona, New York 14879

Certified Mail

No. 9489-0090-0027-6262-2374-26

Village of Savona

Attn: Assessor

15 McCoy Street

PO Box 411

Savona, New York 14879

Certified Mail

No. 9489-0090-0027-6262-2374-33

Town of Campbell

Attn: Town Supervisor

8529 Main Street

Campbell, New York 14821

Certified Mail

No. 9489-0090-0027-6262-2374-40

Town of Campbell

Attn: Assessor

8529 Main Street

Campbell, New York 14821

Certified Mail

No. 9489-0090-0027-6262-2374-57

Town of Erwin

Attn: Town Supervisor

310 Town Center Road

Painted Post, New York 14870

Certified Mail

No. 9489-0090-0027-6262-2374-64

Town of Erwin

Attn: Assessor

310 Town Center Road

Painted Post, New York 14870

Certified Mail

No. 9489-0090-0027-6262-2374-71

Campbell-Savona Central School District

Attn: Superintendent

8455 County Route 125

Campbell, New York 14821

Certified Mail

No. 9489-0090-0027-6262-2374-88

Campbell-Savona Central School District

Attn: President of the Board of Education

8455 County Route 125

Campbell, New York 14821

Certified Mail

No. 9489-0090-0027-6262-2374-95

Corning Painted Post School District

Attn: Superintendent

165 Charles Street

Painted Post, New York 14870

Certified Mail

No. 9489-0090-0027-6262-2375-01

Corning Painted Post School District

Attn: President of the Board of Education

165 Charles Street

Painted Post, New York 14870



INDUSTRIAL DEVELOPMENT AGENCIES
APPLICATION FOR REAL PROPERTY TAX EXEMPTION
(Real Property Tax Law, Section 412-a and General Municipal Law, Section 874)

1. INDUSTRIAL DEVELOPMENT AGENCY (IDA)

Name Steuben County Industrial Development Agency
Street PO Box 393, 7234 Route 54 North
City Bath, New York 14810
Telephone no. Day (607)-776-3316
Evening ()
Contact James C. Johnson
Title Executive Director

2. OCCUPANT (IF OTHER THAN IDA)
(If more than one occupant attach separate listing)

Name B & H Rail Corp.
Street 5769 Sweeteners Boulevard, PO Box 190B
City Livonia, New York 14478
Telephone no. Day (585) 346-2092
Evening ()
Contact Raymond Martel
Title President/CEO/Chair

3. DESCRIPTION OF PARCEL

- a. Assessment roll description (tax map no./roll year) See attached Schedule "A"
b. Street address See attached Schedule "A"
c. City, Town or Village See attached Schedule "A"
d. School District See attached Schedule "A"
e. County Steuben
f. Current assessment
g. Deed to IDA (date recorded; liber and page)
Lease to IDA (12/31/01; L 1751; P 253)
First Amendment to Lease to IDA (01/3/14; L 2469; P 193)
Second Amendment to Lease to IDA (08/31/20; L 2844; P 332)

4. GENERAL DESCRIPTION OF PROPERTY (if necessary, attach plans or specifications)

- a. Brief description (include property use) See attached Schedule "A"
b. Type of construction Railway
Transload Facility - 100' x 400'
c. Square footage Engine Barn - 30' x 225'
d. Total cost N/A
e. Date construction commenced N/A
f. Projected expiration of exemption (i.e. date when property is no longer possessed, controlled, supervised or under the jurisdiction of IDA)
December 31, 2029

5. SUMMARIZE AGREEMENT (IF ANY) AND METHOD TO BE USED FOR PAYMENTS TO BE MADE TO MUNICIPALITY REGARDLESS OF STATUTORY EXEMPTION

(Attach copy of the agreement or extract of the terms relating to the project).

- a. Formula for payment Please see attached Second Amended and Restated Tax Agreement, dated as of July 1, 2020, by and between the IDA and the Occupant.
b. Projected expiration date of agreement December 31, 2029



NYS BOARD OF REAL PROPERTY SERVICES

RP-412-a (1/95)

INDUSTRIAL DEVELOPMENT AGENCIES
APPLICATION FOR REAL PROPERTY TAX EXEMPTION
(Real Property Tax Law, Section 412-a and General Municipal Law, Section 874)

Schedule "A" to RP-412-a Form

3. DESCRIPTION OF PARCEL

a. Assessment roll description (tax map no./roll year):

Table with 4 columns: Tax Map Numbers, Town/Village/City, SWIS, and Address. It lists 14 rows of property data including tax map numbers, locations like Town of Bath and Town of Erwin, SWIS numbers, and addresses such as Off Southern Tier Expwy and 417 Victory Hwy.

d. School District: Campbell-Savona Central School District, Corning-Painted Post Area School District, Bath Central School District

4. GENERAL DESCRIPTION OF PROPERTY

a. Brief Description (include property use): Property is the site of an IDA project consisting of the IDA taking title to or a leasehold interest in approximately 17.08 miles of rail line (the "Rail Improvements") running between Mile Post PP268.02 ±, 260 feet east of the centerline of Hamilton Street, Painted Post, New York, and Mile Post PP285.1±, Bath, New York (the "Land"); and (B) a certain 100' x 400' steel building on the Land used as a transload facility for dry and bulk storage or large quantities of fracking sand and a certain 30' x 225' steel building used as an engine barn with full-length locomotive storage track capable of storing two locomotives (the "Transload Improvements"; and, together with the Rail Improvements and the Land, the "Facility"), all for the purpose of providing the Company with a real property tax abatement - pursuant to the attached Amended and Restated Tax Agreement - with respect to the Facility.

5. SUMMARIZE AGREEMENT (IF ANY) AND METHOD TO BE USED FOR PAYMENTS TO BE MADE TO MUNICIPALITIES REGARDLESS OF STATUORY EXEMPTION.

c. Municipal corporations to which payments will be made:

County: Steuben

Town: Town of Bath, Town of Erwin, Town of Campbell

Village: Village of Bath, Village of Painted Post, Village of Savona

School District: Campbell-Savona Central School District, Corning-Painted Post Area School District, Bath Central School District

c. Municipal corporations to which payments will be made

	Yes	No
County <u>Steuben</u>	X	
Town/City <u>See attached Schedule'</u>	X	
Village <u>See attached Schedule "A"</u>	X	
School District <u>See attached Schedule "A"</u>	X	

d. Person or entity responsible for payment

Name B & H Rail Corp.
Title Attn: Raymond Martel, Pres/CEO/Chair

Address B&H Rail Corp.
5769 Sweeteners Boulevard, PO Box 190B
Livonia, New York 14478

Telephone (585) 346-2092

e. Is the IDA the owner of the property? Yes/No (circle one)
If "No" identify owner and explain IDA rights or interest in an attached statement. No. Occupant owns the property and leases the property to the IDA

6. Is the property receiving or has the property ever received any other exemption from real property taxation? (check one) Yes No Property is subject to a PILOT Agreement (dated as of 12/01/2001) as amended by First Amendment to PILOT Agreement (dated as of 12/1/2013).

If yes, list the statutory exemption reference and assessment roll year on which granted:
exemption RP-412-a assessment roll year 2002

7. A copy of this application, including all attachments, has been mailed or delivered on 9/1/20 (date) to the chief executive official of each municipality within which the project is located as indicated in Item 3.

CERTIFICATION

I, James C. Johnson, Executive Director of Steuben County Industrial Development Agency hereby certify that the information on this application and accompanying papers constitutes a true statement of facts.

As of July 1, 2020
Date


Signature

FOR USE BY ASSESSOR

1. Date application filed _____
2. Applicable taxable status date _____
- 3a. Agreement (or extract) date _____
- 3b. Projected exemption expiration (year) _____
4. Assessed valuation of parcel in first year of exemption \$ _____
5. Special assessments and special as valorem levies for which the parcel is liable:

Date

Assessor's signature

STEBEN COUNTY INDUSTRIAL DEVELOPMENT AGENCY

AND

B & H RAIL CORP.

AMENDED AND RESTATED TAX AGREEMENT

Dated as of July 1, 2020

Affected Tax Jurisdictions:

**Steuben County
Town of Bath
Town of Campbell
Town of Erwin
Village of Bath
Village of Painted Post
Village of Savona
Campbell-Savona School District
Corning-Painted Post School District
Bath School District**

AMENDED AND RESTATED TAX AGREEMENT

THIS AMENDED AND RESTATED TAX AGREEMENT (the "Agreement"), dated as of the 1st day of July, 2020, by and between **STEBEN COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation duly existing under the laws of the State of New York with its registered offices located at 7234 Route 54 North, Bath, New York 14810 (the "Agency") and **B & H RAIL CORP.**, a business corporation duly organized and validly existing under the laws of the State of New York, with offices located at 5769 Sweeteners Boulevard, P.O. Box 190B, Livonia, New York 14487 (the "Company"), amends and restates that certain Payment-In-Lieu-of-Tax Agreement, dated as of December 1, 2001, as amended by First Amendment to Payment-In-Lieu-of-Tax Agreement, dated as of December 1, 2013, each by and between the Agency and the Company.

WITNESSETH:

WHEREAS, the Agency was created by Chapter 178 of the Laws of 1972 of the State of New York pursuant to Title I of Article 18-A of the General Municipal Law of the State of New York (collectively, the "Act") as a body corporate and politic and as a public benefit corporation of the State of New York; and

WHEREAS, the Company has requested the Agency assist the Company with a certain Project (the "Project") consisting of: (A) approximately 17.08 miles of rail line (the "Rail Improvements") running between Mile Post PP268.02 ±, 260 feet east of the centerline of Hamilton Street, Painted Post, New York, and Mile Post PP285.1±, Bath, New York (the "Land") and (B) a certain 100' x 400' steel building on the Land used as a transload facility for dry and bulk storage or large quantities of fracking sand and a certain 30' x 225' steel building used as an engine barn with full-length locomotive storage track capable of storing two locomotives (the "Transload Improvements"; and, together with the Rail Improvements and the Land, the "Facility"), all for the purpose of providing the Company with a real property tax abatement with respect to the Facility; and

WHEREAS, in order to induce the Company to acquire and operate the Facility, the Agency is willing to take a leasehold interest to the land, improvements and personal property constituting the Facility and lease said land, improvements and personal property back to the Company pursuant to the terms and conditions of the Lease Agreement dated on or about the date hereof (the "Lease Agreement"); and

WHEREAS, pursuant to Section 874(1) of the Act, the Agency 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 Agency 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 Agency for the benefit of Steuben County (the "County"), the Town of Bath, Town of Campbell and the Town of Erwin (together, the "Town"), the Village of Bath, Village of Painted Post and the

Village of Savona (together, the "Village"), and the Campbell-Savona School District, Corning-Painted Post Area School District and the Bath Central School District (together, the School District; and, with the County, the Town and the Village, 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 - Payment in lieu of Ad Valorem Taxes:

1.1 A. the Facility shall be exempt from Real Estate Taxes commencing with the 2003 County, Town and Village tax year and the 2002/2003 School District tax year. For purposes of the foregoing, "Real Estate Taxes" means all general levy real estate taxes levied against the Facility by the County, the Town, the Village and the School District. The Company shall provide to the Agency the information necessary for the completion and filing of the Exemption Application and shall provide such additional information and take such actions as are required by the appropriate assessors or Board of Assessment Review to process and approve the Exemption Application. Notwithstanding anything contained herein or in the Leaseback Agreement to the contrary, in the event the exemption from Real Estate Taxes is denied for any reason, the Company shall pay (and hereby agrees to pay) all Real Estate Taxes levied upon the Facility as they become due. After giving written notice to the Agency, the Company may in good faith contest the denial of the Exemption Application, provided that (i) the overall operating efficiency of the Facility is not impaired and the Facility continues to qualify as a "project" under the Act; (ii) neither the Facility nor any part of or interest in it would be in any danger of being sold, forfeited or lost; or (iii) neither the Company nor the Agency, as a result of such contest, shall be in any danger of any civil or criminal liability.

B. Payee. For the term of this Agreement, the Company agrees to pay on July 1 of each year to the Agency at 7234 Route 54, P.O. Box 393, Bath, New York 14810, or at such other address as shall be designated from time to time by the Agency as a payment in lieu of taxes, commencing on July 1, 2003, an amount equal to the Total Tax Payment. The "Total Tax Payment" shall be calculated as described on Schedule A.

The parties agree and acknowledge that payments made hereunder are to obtain revenues for public purposes, and to provide a revenue source that the Affected Tax Jurisdictions would otherwise lose because the subject parcels are not on the tax rolls.

1.3 Tax Rates. For purposes of determining the allocation of the Total Tax Payment among the Affected Tax Jurisdictions, the Agency shall use the last tax rate utilized for levy of taxes by each such jurisdiction. For County, Town, Village and special district purposes, the tax rates used to determine the allocation of the Total Tax Payment shall be the tax rates relating to the calendar year which includes the Payment due date. For School District purposes, the tax rates used to determine the Payment shall be the rate relating to the school year which includes the Payment due date.

1.4 Valuation of Future Additions to the Facility: 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 Agency of such future addition ("Future Addition"). The notice to the Agency shall contain a copy of the application for a building permit, plans and specifications, and any other relevant information that the Agency may thereafter request. Upon the earlier of substantial completion, or the issuance of a certificate of occupancy for any such Future Addition to the Facility, the Company shall become liable for payment of an increase in the Total Tax Payment if the Future Addition shall cause an increase in the assessed value of the Facility, as determined by the Agency or applicable tax assessor. The Agency shall notify the Company of any proposed increase in the Total Tax Payment related to such Future Addition. If the Company shall disagree with the determination of assessed value for any Future Additions made by the Agency, then and in that event that valuation shall be fixed by a court of competent jurisdiction. Notwithstanding any disagreement between the Company and the Agency, the Company shall pay the increased Total Tax Payment until a different Total Tax Payment shall be established. If a lesser Total Tax Payment is determined in any proceeding or by subsequent agreement of the parties, the Total Payment shall be re-computed and any excess payment shall be refunded to the Company or, in the Agency's sole discretion, such excess payment shall be applied as a credit against the next succeeding Payment(s).

1.5 Period of Benefits. The tax benefits provided for herein should be deemed to include (i) the 2002/2003 School fiscal tax year through the 2028/2029 School fiscal tax year, and (ii) the 2003 County, Village and Town calendar tax year through the 2029 County, Village and Town calendar tax year. This Tax Agreement shall expire on **December 31, 2029**, provided, however, the Company shall pay the 2029/2030 School tax bill and the 2030 County and Town tax bills on the dates and in the amounts as if the Agency were not in title 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.

Section II - Special District Charges, Special Assessments and other charges.

2.1 Special district charges, special assessments, and special ad valorem levies (specifically including but not limited to fire district charges), and pure water charges and sewer charges are to be paid in full in accordance with normal billing practices.

Section III - Transfer of Facility.

3.1 In the event that the Facility is transferred from the Agency to the Company (the lease/leaseback agreements are 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 I 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.

Section IV - Assessment Challenges.

4.1 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.

4.2 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.

4.3 The Company shall (i) permit the appropriate real estate tax assessment office and tax levy officers to assess the Facility and apply tax rates to the respective assessments as if the Facility were owned by the Company, (ii) file any accounts or tax returns required by the appropriate real estate tax assessment office and tax levy officers.

Section V - Changes in Law.

5.1 To the extent the Facility is declared to be subject to taxation or assessment by an amendment to the Act, other legislative change, 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 VI - Events of Default.

6.1 The following shall constitute "Events of Default" hereunder. The failure by the Company to: (i) make the payments described in Section I within thirty (30) days of the Payment Date (the "Delinquency Date"); (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; or (iii) 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 Agency and/or the Affected Tax Jurisdictions may have at law or in equity, the Agency and/or Affected Tax Jurisdictions may, immediately and without further notice to the Company (but with notice to the Agency 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.

6.2 If payments pursuant to Section I herein are not made by the Delinquency Dates, 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 I herein, if said payment is not received by the Delinquency Date defined in Section 6.1 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.

Section VII - Assignment.

7. 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 Agency, which shall not be unreasonably withheld or delayed.

Section VIII - Miscellaneous.

8.1 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.

8.2 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 Agency: Steuben County Industrial Development Agency
7234 Route 54 North
P.O. Box 393
Bath, New York 14810
Attn: James C. Johnson, Executive Director

With Copy to: Harris Beach LLP
99 Garnsey Road
Pittsford, New York 14534
Attn.: Russell E. Gaenzle, Esq.

To the Company: B & H Rail Corp.
5769 Sweeteners Boulevard,
P.O. Box 190B
Livonia, New York 14487
Attn: Ray Martel

With Copy to: Dyer & Peterson
322 U.S. Highway 46, Suite 220E
Parsippany, NJ 07054
Attn: John Fiorilla, Esq.

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.

8.3 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 Livingston County, New York.

8.4 Notwithstanding any other term or condition contained herein, all obligations of the Agency hereunder shall constitute a special obligation payable solely from the revenues and other monies, if any, derived from the Facility and paid to the Agency by the Company. Neither member of the Agency nor any person executing this Agreement on its behalf shall be liable personally under this Agreement. No recourse shall be had for the payment of the principal or interest on amounts due hereunder or for any claim based upon or in respect of any modification of or supplement hereto against any past, present or future member, officer, agent, servant, or employee, as such, of the Agency, or of any successor or political subdivision, either directly or through the Agency or any such successor, all such liability of such members, officer, agents, servants and employees being, to the extent permitted by law, expressly waived and released by the acceptance hereof and as part of the consideration for the execution of this Agreement.

[The Balance of This Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Company and the Agency have caused this Amended and Restated Tax Agreement to be executed in their respective names, all as of the date first above written.

B & H RAIL CORP.

By: 

Raymond R. Martel
President/CEO/Chairman

STEBEN COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____

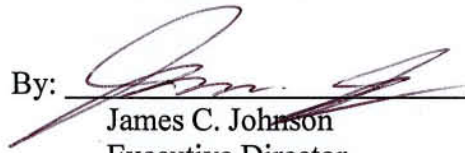
James C. Johnson
Executive Director

IN WITNESS WHEREOF, the Company and the Agency have caused this Amended and Restated Tax Agreement to be executed in their respective names, all as of the date first above written.

B & H RAIL CORP.

By: _____
Raymond R. Martel
President/CEO/Chairman

STEUBEN COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By:  _____
James C. Johnson
Executive Director

SCHEDULE A

"Total Tax Payment" shall mean an amount per annum equal to the product of:

The assessed value of the Facility (as more fully described on Exhibit A attached hereto) multiplied by the respective tax rate (after application of any applicable equalization rate) for the Affected Tax Jurisdiction multiplied by the applicable percentage below. The assessed value of the Facility shall be increased from time to time by the percentage increase in the assessed valuation in all taxable real property in the Affected Tax Jurisdictions (which assessed valuation shall not exceed the assessed value determined by the New York State Office of Real Property Tax Services), as of the respective tax status date for the tax year for which the recalculation is being made.

Note: For Tax Agreement Year 18 through Tax Agreement Year 27, the Company shall make a Total Tax Payment in a fixed amount as set forth in the schedule below.

TAX AGREEMENT YEAR	COUNTY/TOWN TAX YEAR	SCHOOL TAX YEAR	PERCENTAGE
1	2003	2002/2003	20%
2	2004	2003/2004	20%
3	2005	2004/2005	20%
4	2006	2005/2006	20%
5	2007	2006/2007	20%
6	2008	2007/2008	40%
7	2009	2008/2009	40%
8	2010	2009/2010	40%
9	2011	2010/2011	40%
10	2012	2011/2012	40%
11	2013	2012/2013	60%
12	2014	2013/2014	60%
13	2015	2014/2015	60%
14	2016	2015/2016	60%
15	2017	2016/2017	60%
16	2018	2017/2018	80%
17	2019	2018/2019	80%
18	2020	2019/2020	\$49,014
19	2021	2020/2021	\$49,995
20	2022	2021/2022	\$50,994
21	2023	2022/2023	\$52,014
22	2024	2023/2024	\$53,055
23	2025	2024/2025	\$54,116
24	2026	2025/2026	\$55,198
25	2027	2026/2027	\$56,302
26	2028	2027/2028	\$57,428
27	2029	2028/2029	\$58,577

Exhibit A

[Facility]

A certain portion of rail line running between. Mile Post PP268.02 +/-, 260 feet east of the centerline of Hamilton Street, Painted Post, New York, and Mile Post PP285.1 +/-, Bath, New York, a distance of 17.08 miles, more or less, and the existing improvements thereon; and

All that certain parcel of land located in the Town of Erwin, Steuben County, New York consisting of approximately 6 acres of land bounded on the west by the western boundary of the property of C. Jeffrey Boylan, residing at 308 West Water Street, Painted Post, NY 14870 (the "Owner"), on the south by the railroad property now or formerly owned by Norfolk Southern Corporation, and on the north by the lands of the Owner to him conveyed by the Town of Erwin by deed recorded in the Office of the Steuben County Clerk in Liber 2289 of Deeds at Page 135, and on the east by stakes set by the Owner and B&H Rail Corp near the west side of a small pond, the approximate geographic coordinates of which have been established by mutual GPS measurement, as further evidenced in the attached plat of survey map, dated September 25, 2012, prepared by Daniel L. Barry Land Surveyor LLC for Pennsylvania Lines LLC.