

**FINAL RESOLUTION**  
*(Empire State Pipeline/Empire Pipeline, Inc. Project)*

A regular meeting of the Genesee County Industrial Development Agency d/b/a Genesee County Economic Development Center was convened on Wednesday, March 14, 2007, at 8:00 a.m.

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

Resolution No. 03/2007 - 03

**RESOLUTION OF THE GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY D/B/A GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER AUTHORIZING THE EXECUTION AND DELIVERY OF THE LEASE AGREEMENT, LEASEBACK AGREEMENT, PAYMENT-IN-LIEU-OF-TAX-AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE EMPIRE STATE PIPELINE/EMPIRE PIPELINE, INC. PROJECT (AS MORE FULLY DESCRIBED BELOW).**

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 565 of the Laws of 1970 of the State of New York, as amended (hereinafter collectively called the "Act"), the **GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY d/b/a GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER** (hereinafter called "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, **EMPIRE STATE PIPELINE/EMPIRE PIPELINE, INC.** (the "Company") has submitted an application (the "Application") to the Agency requesting the Agency's assistance with a certain project (the "Project") consisting of: (i) the acquisition by the Agency of fee title to or a leasehold or other interest in certain property located at 3261 Lockport Road, Oakfield, and certain other properties located throughout Genesee County, New York and the existing improvements located thereon (collectively the "Land"), (ii) the construction and equipping on the Land of (1) a 20,620 horsepower compressor station and (2) a portion of the Company's 78.3 mile 24-inch diameter natural gas pipeline beginning in Victor, New York and traversing the Finger Lakes region through the counties of Genesee, Ontario, Yates, Schuyler, Chemung and Steuben, and terminating in Corning, New York (the compressor station and the portion of such gas pipeline located in Genesee County, hereinafter referred to collectively as the "Improvements"), and (iii) the acquisition in and around the Improvements of certain items of equipment and other tangible personal property including pipes, valves, meters, fittings, and compressors (the "Equipment" and, collectively with the Land and the Improvements, the "Facility"); all in furtherance of providing natural gas service to users located or locating at or in areas surrounding the Land in said Counties; and

WHEREAS, by resolution adopted January 23, 2007 (the "Initial Resolution"), the Agency authorized the Company to act as its agent to undertake the Project, directed that a public hearing be held and a lease agreement (the "Lease Agreement"), leaseback agreement (the "Leaseback Agreement"), payment-in-lieu-of-tax agreement (the "PILOT Agreement") and related documents be negotiated; and

WHEREAS, pursuant to General Municipal Law Section 859-a, on March 13, 2007, at 4:00 p.m. local time, at Oakfield Town Hall, 3219 Drake Street, Oakfield, New York 14125, the Agency held a public hearing with respect to the Project and the proposed financial assistance being contemplated by the Agency (the "Public Hearing") whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views. A copy of the Minutes of the Public Hearing along with the Notice of Public Hearing published and forwarded to the affected taxing jurisdictions thirty (30) days prior to said Public Hearing are attached hereto as Exhibit A; and

WHEREAS, the Lease Agreement, Leaseback Agreement, PILOT Agreement and related documents have been negotiated and are presented to this meeting for approval and execution.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AGENCY AS FOLLOWS:

Section 1. The Chairman, Vice Chairman, Executive Vice President and/or the President/CEO of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Lease Agreement, Leaseback Agreement, PILOT Agreement and related documents in the form presented at this meeting with such changes as shall be approved by the Chairman, Vice Chairman, Executive Vice President and/or the President/CEO of the Agency; subject to the following conditions:

(a) unless otherwise agreed to by the Agency or the President/CEO of the Agency, the Company shall provide, at its own cost, three (3) taps in the pipeline during the construction thereof, with the placement of said taps to be determined by the Agency; and

(b) the Company shall not to grieve or otherwise challenge the property assessment during the term of the PILOT Agreement; and

(c) the Company shall hold harmless the Agency, Genesee County, New York, the Town of Oakfield, New York, Oakfield-Alabama Central School District and their respective members, officers, agents, directors and employees from prosecution or related disputes and costs arising therefrom during the term of the PILOT Agreement.

Section 2. The Chairman, Vice Chairman, Executive Vice President and/or President/CEO of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver any mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents reasonably contemplated by these resolutions or required by any

lender identified by the Company (the "Lender") up to a maximum principal amount necessary to undertake the Project and/or finance or refinance equipment and other personal property and related transactional costs (together with the Lease Agreement, Leaseback Agreement and PILOT Agreement, collectively, the "Agency Documents"); and, where appropriate, the Secretary or Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency to the Agency Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chairman, Vice Chairman, Executive Vice President and/or President/CEO of the Agency shall approve; the execution thereof by the Chairman, Vice Chairman, Executive Vice President and/or President/CEO of the Agency to constitute conclusive evidence of such approval; *provided*, in all events, recourse against the Agency is limited to the Agency's interest in the Project.

Section 3. 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 4. These Resolutions shall take effect immediately upon adoption.

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

	<i>Yea</i>	<i>Nay</i>	<i>Absent</i>	<i>Abstain</i>
John F. Andrews	[ <input type="checkbox"/> ]	[ <input type="checkbox"/> ]	[ <input checked="" type="checkbox"/> ]	[ <input type="checkbox"/> ]
James L. Vincent	[ <input checked="" type="checkbox"/> ]	[ <input type="checkbox"/> ]	[ <input type="checkbox"/> ]	[ <input type="checkbox"/> ]
James W. Fulmer	[ <input type="checkbox"/> ]	[ <input type="checkbox"/> ]	[ <input checked="" type="checkbox"/> ]	[ <input type="checkbox"/> ]
Hollis Upson	[ <input checked="" type="checkbox"/> ]	[ <input type="checkbox"/> ]	[ <input type="checkbox"/> ]	[ <input type="checkbox"/> ]
Michael Gerber	[ <input checked="" type="checkbox"/> ]	[ <input type="checkbox"/> ]	[ <input type="checkbox"/> ]	[ <input type="checkbox"/> ]
L. William Benton	[ <input checked="" type="checkbox"/> ]	[ <input type="checkbox"/> ]	[ <input type="checkbox"/> ]	[ <input type="checkbox"/> ]
Wolcott T. Hinchey	[ <input checked="" type="checkbox"/> ]	[ <input type="checkbox"/> ]	[ <input type="checkbox"/> ]	[ <input type="checkbox"/> ]

The Resolutions were thereupon duly adopted.

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