

A regular meeting of Tioga County Industrial Development Agency (the "Agency") was convened in public session at 56 Main Street in the Town of Owego, Tioga County, New York on October 6, 2010 at 5:30 o'clock p.m., local time.

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

- | | | |
|----------|-----------------------|---------------|
| PRESENT: | Aaron Gowan | Chairman |
| | Martha Sauerbrey | Vice Chairman |
| | William J. Woods, Jr. | Secretary |
| | Ralph E. Kelsey | Treasurer |
| | Dean Daniels | Member |
| | Kevin Dougherty | Member |
| ABSENT: | Tracy Monell | Member |

AGENCY STAFF PRESENT:

- | | |
|-------------------------|------------------------|
| Lee Ann Tinney | Business Administrator |
| Joseph B. Meagher, Esq. | Agency Counsel |

The following resolution was offered by R. Kelsey, seconded by A. Gowan, to wit:

RESOLUTION TAKING ACTION TOWARD A LEASE AND LEASE-BACK TRANSACTION TO FACILITATE THE FINANCING OF THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A CERTAIN COMMERCIAL PROJECT, APPOINTING CENTRAL NEW YORK OIL AND GAS COMPANY, L.L.C. (THE "COMPANY") AGENT OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING AND EQUIPPING THE FACILITY AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT BY AND BETWEEN THE AGENCY AND THE COMPANY WITH RESPECT TO THE PROVIDING OF THE FACILITY.

WHEREAS, Tioga County Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title One 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 534 of the 1971 Laws of New York, as amended by Chapter 883 of the 1974 Laws of New York, constituting Section 912 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, reconstructing, 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, Central New York Oil and Gas Company, L.L.C. (the "Company") has presented an application (the "Application") to the Agency, a copy of which is on file in the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") consisting of the following: (A) (1) the construction and installation on a parcel of land located near the interconnection of the Company's North Lateral pipeline and the Millennium Pipeline, off Rosenberger Road in the Town of Owego, Tioga County, New York (the "Land"), of an approximately 13,400 horsepower natural gas compression and metering facility, including an approximately 10,000 square foot building, access roads and related facilities (the "Facility") and (2) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment") (the Land, the Facility and the Equipment being hereinafter collectively referred to as the "Project Facility"), all of the foregoing to be used by the Company as a facility to enable the Company to transport natural gas for third parties between the Millennium Pipeline and the Tennessee Gas Pipeline using the Company's existing Stagecoach storage facility North Lateral and South Lateral, and any other directly or indirectly related activities; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales taxes, mortgage recording taxes and real property taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) 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 Agency has given due consideration to the Application, and to representations by the Company that (A) the granting by the Agency of the Financial Assistance with respect to the Project will be an inducement to the Company to undertake the Project in Tioga County, New York and (B) the completion of the Project Facility will not result in the removal of a plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State of New York to another area of the State of New York or in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State of New York; and

WHEREAS, the Agency desires to encourage the Company to preserve and advance the job opportunities, health, general prosperity and economic welfare of the people of Tioga County, New York by undertaking the Project in Tioga County, New York; and

WHEREAS, the Business Administrator of the Agency (A) caused notice of a public hearing of the Agency pursuant to Section 859-a of the Act (the "Public Hearing"), to hear all persons interested in the Project and the Financial Assistance being contemplated by the Agency with respect to the Project, to be mailed on August 20, 2010 to the chief executive officer of the county and of

each town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be published on August 23, 2010 in the Press and Sun Bulletin, a newspaper of general circulation available to residents of the Town of Owego, (C) caused notice of the Public Hearing to be posted on August 20, 2010 on the bulletin board in the Tioga County Office Building, (D) conducted the Public Hearing on September 22, 2010 at 6:00 o'clock p.m., local time, at the Tioga County Office Building in the Town of Owego, Tioga County, New York, and (E) prepared a report of the Public Hearing (the "Report") which fairly summarized the views presented at said Public Hearing and distributed same to the members of the Agency; and

WHEREAS, an Agency agreement (the "Agency Agreement") relative to the proposed undertaking of the Project by the Agency has been presented for approval by the Agency.

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

Section 1. The Agency has reviewed the Application and, based upon the representations made by the Company to the Agency in the Application, the Agency hereby makes the following findings and determinations with respect to the Project:

- A. The Project constitutes a "project" within the meaning of the Act; and
- B. The completion of the Project Facility will not result in the removal of a plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State of New York to another area of the State of New York or in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State of New York; and
- C. The Project Facility will not constitute a project where facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities constitute more than one-third of the total cost of the Project; and
- D. The granting of the Financial Assistance by the Agency with respect to the Project, through the granting of the various tax exemptions described in this Resolution, will promote the job opportunities, health, general prosperity and economic welfare of the inhabitants of Tioga County, New York and the State of New York and improve their standard of living, and thereby serve the public purposes of the Act; and
- E. The Agency is authorized under the Act to undertake the Project in order to promote the job opportunities, health, general prosperity and economic welfare of the inhabitants of Tioga County, New York and the State of New York and improve their standard of living; and
- F. Having reviewed the Report of the Public Hearing and having fully considered all comments contained therein, the Agency hereby further determines that it is desirable and in the public interest for the Agency to proceed with the Project and provide the Financial Assistance to the Company.

Section 2. The Agency hereby determines to proceed with the Project and to grant the Financial Assistance with respect thereto and, if the Company complies with all conditions set forth in the Agency Agreement, then the Agency will (A) acquire an interest in the Project Facility from the Company pursuant to a deed, lease agreement or other documentation to be negotiated between the Agency and the Company (the "Acquisition Agreement"); (B) construct the Facility on the Land and acquire and install the Equipment in the Facility or elsewhere on the Land; and (C) lease (with the obligation to purchase) or sell the Project Facility to the Company pursuant to a lease agreement or an installment sale agreement (hereinafter, the "Project Agreement") between the Agency and the Company whereby the Company will be obligated, among other things, to pay all costs incurred by the Agency with respect to the Project and/or the Project Facility, including all costs of operation and maintenance, all taxes and other governmental charges, any required payments-in-lieu-of-taxes, and the reasonable fees and expenses incurred by the Agency with respect to or in connection with the Project and/or the Project Facility.

Section 3. Subject to the Company executing the Agency Agreement, the Agency hereby authorizes the Company to proceed with the undertaking of the Project and hereby appoints the Company as the true and lawful agent of the Agency (i) to acquire, construct and equip the Project; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency could do if acting in its own behalf.

Section 4. The grant of the Financial Assistance authorized by this resolution is expressly contingent upon (1) the Company's discontinuance of its lawsuit against the Assessor for the Town of Owego, the Town of Owego, the Board of Assessment Review for the Town of Owego, the County of Tioga, and the Owego-Apalachin School District (Index No. 39369, Hon. Jeffrey A. Tait, J.S.C., Presiding) relating to the payment in lieu of the tax ("PILOT") agreement for the Company's existing Stagecoach facility, and (2) the PILOT agreement for the Facility shall provide that the market value of the Facility, for purposes of determining the Company's annual PILOT payments, shall not exceed \$22,000,000.

Section 5. The form, terms and substance of the Agency Agreement (in substantially the form presented to this meeting and attached hereto) are in all respects approved, and the Chairman or Vice Chairman of the Agency are hereby authorized, empowered and directed to execute and deliver said Agency Agreement in the name and on behalf of the Agency, said Agency Agreement to be substantially in the form presented to this meeting, with such changes therein as shall be approved by the officer executing same on behalf of the Agency, the execution thereof by such officer to constitute conclusive evidence of such officer's approval of any and all changes or revisions therein from the form now before this meeting.

Section 6. From and after the execution and delivery of the Agency Agreement, the officers, agents and employees of the Agency are hereby authorized, empowered and directed to proceed with

the undertakings provided for therein on the part of the Agency and are further authorized to do all such acts and things and to execute all such documents as may be necessary or convenient to carry out and comply with the terms and provisions of the Agency Agreement as executed.

Section 7. The Chairman or Vice Chairman of the Agency are hereby authorized and directed to distribute copies of this Resolution to the Company and 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.

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

Aaron Gowan	voting	Aye
Martha Sauerbrey	voting	Aye
William J. Woods, Jr.	voting	Aye
Ralph E. Kelsey	voting	Aye
Dean Daniels	voting	Aye
Kevin Dougherty	voting	Aye

The foregoing Resolution was thereupon declared duly adopted.

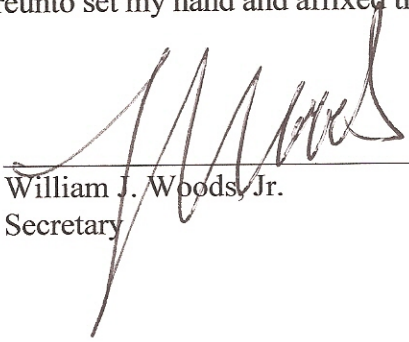
STATE OF NEW YORK :
: ss.:
COUNTY OF TIOGA :

I, the undersigned Secretary of the Tioga County Industrial Development Agency (the "Agency"), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on October 6, 2010 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 6th day of October, 2010.



William J. Woods, Jr.
Secretary

(SEAL)