

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION

IMPORTANT NOTICE: The answers to the questions contained in this application are necessary to determine your firm's eligibility for financing and other assistance from the Schoharie County Industrial Development Agency. These answers will also be used in the preparation of papers in this transaction. Accordingly, all questions should be answered accurately and completely by an officer or other employee of your firm who is thoroughly familiar with the business and affairs of your firm and who is also thoroughly familiar with the proposed project. This application is subject to acceptance by the Agency.

TO: SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
349 Mineral Springs Road
Cobleskill, New York 12043

This application by applicant respectfully states:

APPLICANT: Tennessee Gas Pipeline Company, LLC

APPLICANT'S ADDRESS: 1001 Louisiana Street

CITY: Houston STATE: TX 77002 PHONE NO.: 713-369-9257

NAME OF PERSON(S) AUTHORIZED TO SPEAK FOR APPLICANT WITH RESPECT TO THIS APPLICATION: Walker Knight and James Lemons

IF APPLICANT IS REPRESENTED BY AN ATTORNEY, COMPLETE THE FOLLOWING: Barclay Damon, LLP

NAME OF ATTORNEY: Mark D. Lansing, Esquire

ATTORNEY'S ADDRESS: 80 State Street

CITY: Albany STATE: NY PHONE NO.: 518-429-4264

NOTE: PLEASE READ THE INSTRUCTIONS ON PAGES 2 AND 3 HEREOF BEFORE FILLING OUT THIS FORM.

INSTRUCTIONS

1. The Agency will not approve any application unless in the judgment of the Agency said application contains sufficient information upon which to base a decision whether to approve or tentatively approve an action.
2. Fill in all blanks, using "none" or "not applicable" or "N/A" where the question is not appropriate to the project which is the subject of this application (the "Project").
3. If an estimate is given as the answer to a question, put "(est)" after the figure or answer which is estimated.
4. If more space is needed to answer any specific question, attach a separate sheet.
5. When completed, return this application to the Agency at the address indicated on the first page of this application.
6. The Agency will not give final approval to this application until the Agency receives a completed environmental assessment form concerning the Project which is the subject of this application.
7. Please note that Article 6 of the Public Officers Law declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the applicant feels that there are elements of the Project which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the applicant's competitive position, the applicant may identify such elements in writing and request that such elements be kept confidential in accordance with Article 6 of the Public Officers Law.
8. The applicant will be required to pay to the Agency all actual costs incurred in connection with this application and the Project contemplated herein (to the extent such expenses are not paid out of the proceeds of the Agency's bonds issued to finance the Project). Except as limited by the Internal Revenue Code (which applies to certain federally tax-exempt bonds), the costs incurred by the Agency, including the Agency's general counsel and bond counsel, may be considered as a part of the Project and included as a part of the resultant bond issue.
9. The Agency has established an application fee of two hundred fifty dollars (\$250.00) to cover the anticipated costs of the Agency in processing this application. A check or money order made payable to the Agency must accompany each application. **THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS ACCOMPANIED BY THE APPLICATION FEE.**

FOR AGENCY USE ONLY

1. Project Number _____
 2. Date Received by Agency _____, 20__
 3. Date referred to Attorney for review _____, 20__
 4. Date notice of Agency meeting on application posted _____, 20__
 5. Date notice of Agency meeting on application mailed _____, 20__
 6. Date of Agency meeting on application _____, 20__
 7. Date Agency conditionally approved application _____, 20__
 8. Date Agency offer mailed to applicant _____, 20__
 9. Date applicant accepted Agency offer _____, 20__
 10. Date Environmental Assessments Form ("EAF") received _____, 20__
 11. Date Agency completed environmental review _____, 20__
 12. Date of final approval of application _____, 20__
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SUMMARY OF PROJECT

Applicant: Tennessee Gas Pipeline Company, LLC

Contact Person: Mark D. Lansing, Esq.

Phone Number: 518-429-4264

Occupant: Applicants

Project Location: Multiple throughout Schoharie County

Approximate Size of Project Site:

Description of Project: Interstate natural gas pipeline, meter and regulator stations and compressor station

Type of Project: [] Manufacturing [] Warehouse/Distribution
[X] Commercial [] Not-For-Profit
[X] Other-Specify Natural gas pipeline

Employment Impact: Existing Jobs 5
New Jobs 0

Project Cost: \$ 0

Type of Financing: [] Tax-Exempt [] Taxable [] Straight Lease

Amount of Bonds Requested: \$ N/A

Estimated Value of Tax-Exemptions:

N.Y.S. Sales and Compensating Use Tax: \$ 0
Mortgage Recording Taxes: \$ 0
Real Property Tax Exemptions: \$ NO
Other (please specify): \$ 0

Provide estimates for the following:

Number of Full Time Employees at the Project Site before IDA Status: 5
Estimate of Jobs to be Created: 0
Estimate of Jobs to be Retained: 5
Average Estimated Annual Salary of Jobs to be Created: 0

Annualized Salary Range of Jobs to be Created:
Estimated Average Annual Salary of Jobs to be Retained:

N/A

\$63,369

I. Proposed occupant of Project (hereinafter, the "Company").

A. Company Name: Tennessee Gas Pipeline Company, LLC

Present Address: 1001 Louisiana Street, Houston, Texas

Zip Code 77002

Employer's ID No.: 74-1056569

B. If the Company differs from the Applicant, give details of relationship: N/A

C. Indicate type of business organization of Company:

1. Corporation (If so, incorporated in what country? United States
 What State? Delaware Date Incorporated? October 1, 2011 (LLC)
 Type of Corporation? LLC Authorized to do business in New
 York? yes no).

2. Partnership (if so, indicate type of partnership _____,
 Number of general partners _____, Number of limited partners _____).

3. Sole proprietorship

D. Is the Company a subsidiary or direct or indirect affiliate of any other organization(s)?
 If so, indicate name of related organization(s) and relationship: Kinder Morgan, Inc.

E. Management of Company:

1. List all owners, officers, directors and partners (complete all columns for each person):

NAME (First, Middle, Last) HOME ADDRESS	OFFICE HELD	OTHER PRINCIPAL BUSINESS
See attached		

2. Is the Company or management of the Company now a plaintiff or a defendant in any civil or criminal litigation? yes no

3. Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation)? _____ yes no

4. Has any person listed above or any concern with whom such person has been connected ever been in receivership or been adjudicated a bankrupt? _____ yes no. (If yes to any of the foregoing, furnish details in a separate attachment).

F. Principal owners of Company: Is Company publicly held? _____ yes no. If yes, list exchanges where stock traded: _____

If no, list all stockholders having a 5% or more interest in the Company:

NAME	ADDRESS	PERCENTAGE OF HOLDING
Kinder Morgan, Inc.	1001 Louisiana Street, Houston, TX 77002	100%

G. Company's Principal Bank(s) of account: _____

II. Data regarding Proposed Project

A. Summary: (Please provide a brief narrative description of the Project.)

A natural gas pipeline located throughout Schoharie, including the Towns of Carlisle, Esperance, Schoharie, Sharon and Wright.

B. Location of Proposed Project:

1. Street Address: Multiple locations, no specific street address
2. City of _____
3. Town of Carlisle, Esperance, Schoharie, Sharon, Wright
4. Village of _____
5. County of Schoharie

C. Project Site:

1. Approximate size (in acres or square feet) of Project site: 56 miles of pipeline in the County
Is a map, survey or sketch of the project site attached? yes no.

2. Are there existing buildings on project site? yes no. If yes, indicate number and approximate size (in square feet) of each existing building: Compressor Station

3. Are existing buildings in operation? yes no.
If yes, describe present use of present buildings: Compressor Station

Are existing buildings abandoned? yes no. About to be abandoned? yes no. Attach photograph of present buildings.

4. Utilities serving project site:

Water-Municipal: _____

Other (describe) _____

Sewer-Municipal: _____

Other (describe) _____

Electric-Utility: _____

Other (describe) _____

Heat-Utility: _____

Other (describe) _____

5. Present legal owner of project site: Tennessee Gas Pipeline Company, LLC

If the Company owns project site, indicate date of purchase: N/A, 20__; Purchase price: \$_____. If Company not owner, does Company have option signed with owner to purchase the project site? yes no. If yes, indicate date option signed with owner: _____, 20__. Date option expires: _____, 20__.

If the Company does not own the project site, is there a relationship legally or by common control between the Company and the present owners of the project site? yes no. If yes, describe in detail on separate attachment.

6. Zoning District in which the project site is located: Multiple

Are there any variances or special permits affecting the site? yes X no. If yes, list below and attach copies of all such variances or special permits: _____

D. Buildings:

1. Does part of the project consist of a new building or buildings? yes X no. If yes, indicate number and size of new buildings: _____

2. Does part of the project consist of additions and/or renovations to the existing buildings? yes X no. If yes, indicate nature of expansion and/or renovation: _____

3. Describe the principal uses to be made by the Company of the building or buildings to be acquired, constructed or expanded: Not applicable

E. Description of the Equipment:

1. Does a part of the Project consist of the acquisition or installation of machinery, equipment or other personal property (the "Equipment")? Yes ; No X. If yes, describe the Equipment: _____

2. With respect to the Equipment to be acquired, will any of the Equipment be Equipment which has previously been used? Yes ; No . If yes, please provide detail: Not applicable

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-
3. Describe the principal uses to be made by the Company of the Equipment to be acquired or installed: Not applicable - However, future equipment may include new pipe, compressors, meter or regulator stations.
-
-
-

F. Project Use:

1. What are the principal products to be produced at the Project? None - transmission of natural gas
-
-
-

2. What are the principal activities to be conducted at the Project? Transmission of natural gas
-
-
-

3. Does the Project include facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities? yes no. If yes, please provide detail: _____
-
-
-

4. If the answer to 3 above is yes, does the Project constitute a "tourism destination", a location or facility which is likely to attract a significant number of visitors from outside the Schoharie County economic development region? Not applicable
-
-
-

5. Is the predominant purpose of the Project to make available goods or services which are not readily accessible to the residents of Schoharie County? _____ yes no. If yes, please explain: _____
-
-
-

6. Is the Project located in a "highly distressed area"? A "highly distressed area" is defined under the Act to include the following: a census tract or tracts or block numbering area or areas or such census tract or block numbering area contiguous thereto which, according to the most recent census data available, has (A) a poverty rate of at least twenty percent for the year to which the data relates or at least twenty percent of households receiving public assistance, and (B) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates. _____ yes no. If yes, please explain: Not specifically known

F. Construction Status:

1. Has construction work on this project begun? _____ yes no. If yes, please discuss in detail the approximate extent of construction and the extent of completion. Indicate in your answer whether such specific steps have been completed as site clearance and preparation; completion of foundations; installation of footings; etc.: _____
2. Please indicate amount of funds expended on this project by the Company in the past three (3) years and the purposes of such expenditures: Not applicable
3. Please indicate the date the applicant estimates the Project will be completed: Not applicable.

- G. Method of Construction After Agency Approval: If the Agency approves the project which is the subject of this application, there are two methods that may be used to construct the project. The applicant can construct the project privately and sell the project to the Agency upon completion. Alternatively, the applicant can request to be appointed as "agent" of the Agency, in which case certain laws applicable to public construction may apply to the project. Does the applicant wish to be designated as "agent" of the Agency for purposes of constructing the project? yes _____ no

III. Employment Impact

- A. Indicate the number of people presently employed at the Project site and the **additional** number that will be employed at the Project site at the end of the first and second years after the Project has been completed, using the tables below for (1) employees of the Applicant, (2) independent contractors, and (3) employees of

independent contractors. (Do not include construction workers). Also indicate below the number of workers employed at the Project site representing newly created positions as opposed to positions relocated from other project sites of the applicant. Such information regarding relocated positions should also indicate whether such positions are relocated from other project sites financed by obligations previously issued by the Agency.

TYPE OF EMPLOYMENT Employees of Applicant					
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals
Present Full Time	1	4			5
Present Part Time					
Present Seasonal					
First Year Full Time					
First Year Part Time					
First Year Seasonal					
Second Year Full Time					
Second Year Part Time					
Second Year Seasonal					

TYPE OF EMPLOYMENT Not applicable Independent Contractors					
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals

Present Full Time					
Present Part Time					
Present Seasonal					
First Year Full Time					
First Year Part Time					
First Year Seasonal					
Second Year Full Time					
Second Year Part Time					
Second Year Seasonal					

TYPE OF EMPLOYMENT Not applicable					
Employees of Independent Contractors					
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals
Present Full Time					
Present Part Time					
Present Seasonal					
First Year Full Time					
First Year Part Time					

First Year Seasonal					
Second Year Full Time					
Second Year Part Time					
Second Year Seasonal					

B. Indicate below (1) the estimated salary and fringe benefit averages or ranges and (2) the estimated number of employees residing in the Mohawk Valley Economic Development Region for all the jobs at the Project site, both retained and created, listed in the tables described in subsection A above for each of the categories of positions listed in the chart below.

RELATED EMPLOYMENT INFORMATION				
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled
Estimated Salary and Fringe Benefit Averages or Ranges	\$120K to \$150K	\$68K to \$75K		
Estimated Number of Employees Residing in the Mohawk Valley Economic Development Region ¹	See above			

C. Please describe the projected timeframe for the creation of any new jobs with respect to the undertaking of the Project: Unknown

D. Please prepare a separate attachment describing in detail the types of employment at the Project site. Such attachment should describe the activities or work performed for each type of employment. Not applicable

¹ The Mohawk Valley Economic Development Region consists of the following counties: Fulton, Herkimer, Montgomery, Oneida, Otsego, Schoharie.

- E. 1. Will the completion of the project which is the subject of this application result in the removal of a commercial, industrial or manufacturing plant or facility of the Company from one area of the State of New York to another area of the State of New York? _____ yes no
2. Will the completion of the project result in the abandonment of one or more plants or facilities of the Company located in the State of New York?
_____ yes no.
3. If yes to either 1 or 2, is this project reasonably necessary to preserve the Company's competitive position in its industry? _____ yes _____ no
4. If yes to either 1 or 2, is this project reasonably necessary to discourage the Company from removing such other plant or facility to a location outside the State of New York? _____ yes _____ no
5. If yes to either 3 or 4, please furnish details in separate attachment.

IV. Project Cost Not applicable

- A. Anticipated Project Costs. State the costs reasonably necessary for the acquisition of the Project site, the construction of the proposed buildings and the acquisition and installation of any machinery and equipment necessary or convenient in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

<u>Description of Cost</u>	<u>Amount</u>
Land	\$ _____
Buildings	\$ _____
Machinery and equipment costs	\$ _____
Utilities, roads and appurtenant costs	\$ _____
Architects and engineering fees	\$ _____
Costs of Bond Issue (legal, financial and printing)	\$ _____
Construction loan fees and interest (if applicable)	\$ _____
Other (specify)	
_____	\$ _____
_____	\$ _____

_____	\$ _____
TOTAL PROJECT COSTS	\$ _____

B. Anticipated Project Financing Sources. State the sources reasonably necessary for the financing of the Project site, the construction of the proposed buildings and the acquisition and installation of any machinery and equipment necessary or convenient in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories: Not applicable

<u>Description of Sources</u>	<u>Amount</u>
Private Sector Financing	\$ _____
Public Sector	
Federal Programs	\$ _____
State Programs	\$ _____
Local Programs	\$ _____
Applicant Equity	\$ _____
Other (specify, e.g., tax credits)	
_____	\$ _____
_____	\$ _____
_____	\$ _____
TOTAL AMOUNT OF PROJECT FINANCING SOURCES	\$ _____

C. Have any of the above expenditures already been made by the applicant?
 Yes _____; No X. If yes, indicate particulars.

D. Amount of loan requested: \$ _____⁰ _____;

Maturity requested: N/A years.

E. Has a commitment for financing been received as of this application date, and if so, from whom?

Yes _____; No . Institution Name: _____

Provide name and telephone number of the person we may contact.

Name: _____ Phone: _____

F. The percentage of Project costs to be financed from public sector sources is estimated to equal the following: _____⁰ _____%

G. The total amount estimated to be borrowed to finance the Project is equal to the following: \$ N/A _____

V. Benefits expected from the Agency

A. Financing

1. Is the applicant requesting that the Agency issue bonds to assist in financing the project? Yes _____; No . If yes, indicate:

a. Amount of loan requested: _____ Dollars;

b. Maturity requested: _____ Years.

2. If the answer to question 1 is yes, is the interest on such bonds intended to be exempt from federal income taxation? Yes _____; No _____.

3. If the answer to question 2 is yes, will any portion of the Project be used for any of the following purposes:

a. retail food and beverage services: Yes _____; No _____

b. automobile sales or service: Yes _____; No _____

c. recreation or entertainment: Yes _____; No _____

d. golf course: Yes _____; No _____

e. country club: Yes _____; No _____

f. massage parlor: Yes _____; No _____

g. tennis club: Yes _____; No _____

h. skating facility (including roller skating, skateboard and ice skating): Yes _____; No _____

i. racquet sports facility (including handball and racquetball court): Yes _____; No _____

j. hot tub facility: Yes _____; No _____

- k. suntan facility: Yes ___; No ___
 - l. racetrack: Yes ___; No ___
4. If the answer to any of the above questions contained in question 3 is yes, please furnish details on a separate attachment.

B. Tax Benefits

1. Is the applicant requesting any real property tax exemption in connection with the Project that would not be available to a project that did not involve the Agency? Yes ___; No X. If yes, is the real property tax exemption being sought consistent with the Agency's Uniform Tax Exemption Policy? Yes ___; No ___.

2. Is the applicant expecting that the financing of the Project will be secured by one or more mortgages? Yes ___; No X. If yes, what is the approximate amount of financing to be secured by mortgages? \$ _____.

3. Is the applicant expecting to be appointed agent of the Agency for purposes of avoiding payment of N.Y.S. Sales Tax or Compensating Use Tax? Yes ___; No X. If yes, what is the approximate amount of purchases which the applicant expects to be exempt from the N.Y.S. Sales and Compensating Use Taxes? \$ _____.

4. What is the estimated value of each type of tax-exemption being sought in connection with the Project? Please detail the type of tax-exemption and value of the exemption.

a.	N.Y.S. Sales and Compensating Use Taxes:	\$	0
b.	Mortgage Recording Taxes:	\$	0
c.	Real Property Tax Exemptions:	\$	_____
d.	Other (please specify):		
	_____	\$	0
	_____	\$	_____

5. Are any of the tax-exemptions being sought in connection with the Project inconsistent with the Agency's Uniform Tax Exemption Policy? Yes ___; No X. If yes, please explain.

C. Project Cost/Benefit Information. Complete the attached Cost/Benefit Analysis so that the Agency can perform a cost/benefit analysis of undertaking the Project. Such information should consist of a list and detailed description of the benefits of the Agency undertaking the Project (e.g., number of jobs created, types of jobs created, economic development in the area, etc.). Such information should also consist of a list and detailed

description of the costs of the Agency undertaking the Project (e.g., tax revenues lost, buildings abandoned, etc.).

VI. Agreements by Applicant. The applicant understands and agrees with the Agency as follows:

A. Job Listings. In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOC") and with the administrative entity (collectively with the DOC, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA"), as replaced by the Workforce Investment Act of 1998 (Public Law 105-220), in which the Project is located.

B. First Consideration for Employment. In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.

C. Annual Sales Tax Filings. In accordance with Section 874(8) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the applicant.

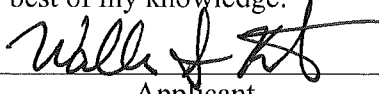
D. Annual Employment Reports. The applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the Project site, including (1) the NYS-45 – Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return – for the quarter ending December 31 (the "NYS-45"), and (2) the US Dept. of Labor BLS 3020 Multiple Worksite report if applicable.

E. Uniform Agency Project Agreement. The applicant agrees to enter into a project benefits agreement with the Agency where the applicant agrees that (1) the amount of Financial Assistance to be received shall be contingent upon, and shall bear a direct relationship to the success or lack of success of such project in delivering certain described public benefits (the "Public Benefits") and (2) the Agency will be entitled to recapture some or all of the Financial Assistance granted to the applicant if the project is unsuccessful in whole or in part in delivering the promised Public Benefits.

- F. Representation of Financial Information. Neither this Application nor any other agreement, document, certificate, project financials, or written statement furnished to the Agency or by or on behalf of the applicant in connection with the project contemplated by this Application contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading. There is no fact within the special knowledge of any of the officers of the applicant which has not been disclosed herein or in writing by them to the Agency and which materially adversely affects or in the future in their opinion may, insofar as they can now reasonably foresee, materially adversely affect the business, properties, assets or condition, financial or otherwise, of the applicant.
- G. Agency Financial Assistance Required for Project. The Project would not be undertaken but for the Financial Assistance provided by the Agency or, if the Project could be undertaken without the Financial Assistance provided by the Agency, then the Project should be undertaken by the Agency for the following reasons:
- H. Compliance with Article 18-A of the General Municipal Law: The Project, as of the date of this Application, is in substantial compliance with all provisions of article 18-A of the General Municipal including, but not limited to, the provisions of Section 859-a and subdivision one of Section 862; and the provisions of subdivision one of Section 862 of the General Municipal Law will not be violated if Financial Assistance is provided for the Project.
- I. Compliance with Federal, State, and Local Laws. The applicant is in substantial compliance with applicable local, state, and federal tax, worker protection, and environmental laws, rules, and regulations.
- J. False or Misleading Information. The applicant understands that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemptions claimed by reason of Agency involvement in the Project.
- K. Absence of Conflicts of Interest. The applicant acknowledges that the members, officers and employees of the Agency are listed on the Agency's website. No member, officer or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

- L. Additional Information. Additional information regarding the requirements noted in this Application and other requirements of the Agency are included in the Agency's policies which can be accessed at <http://growscny.com/schoharie-county-industrial-development-agency/schoharie-county-ida/>.

I affirm under penalty of perjury that all statements made on this application are true, accurate and complete to the best of my knowledge.



Applicant

By:

Walker Knight

Title:

Vice President - Tax

NOTE: APPLICANT MUST COMPLETE THE APPROPRIATE VERIFICATION APPEARING ON PAGES 23 THROUGH 25 HEREOF BEFORE A NOTARY PUBLIC AND MUST SIGN AND ACKNOWLEDGE THE HOLD HARMLESS AGREEMENT APPEARING ON PAGE 26

VERIFICATION

(If Applicant is a Corporation)

STATE OF TEXAS)
) SS.:
COUNTY OF HARRIS)

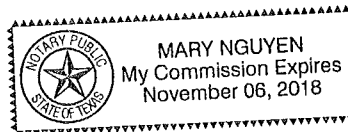
Walker Knight, _____ deposes and says that he is the
(Name of chief executive of applicant)
Vice President - Tax of Tennessee Gas Pipeline Company, LLC
(Title) (Company Name)

the corporation named in the attached application; that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. Deponent further says that the reason this verification is made by the deponent and not by said company is because the said company is a corporation. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as an officer of and from the books and papers of said corporation.

Walker Knight

(officer of applicant)

Sworn to before me this 15th
day of December, 2016.



Mary Nguyen
(Notary Public)

VERIFICATION

(If applicant is sole proprietor)

STATE OF TEXAS)

) SS.:

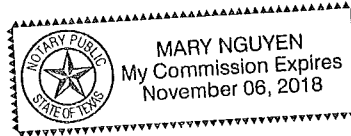
COUNTY OF HARRIS)

Walker Knight, deposes and says

(Name of Individual)

that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application.

Walker Knight



Sworn to before me this 15th
day of December, 2014.

Mary Nguyen
(Notary Public)

VERIFICATION

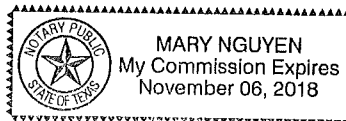
(If applicant is partnership)

STATE OF TEXAS)
) SS.:
COUNTY OF HARRIS)

Walker Knight, deposes and says
(Name of Individual)
that he is one of the members of the firm of Tennessee Gas Pipe Company, LLC,
(Partnership Name)

the partnership named in the attached application; that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as a member of and from the books and papers of said partnership.

Walker Knight



Sworn to before me this 15th
day of December, 2016.

Mary Nguyen
(Notary Public)

NOTE: THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS THE HOLD HARMLESS AGREEMENT APPEARING ON PAGE 26 IS SIGNED BY THE APPLICANT.

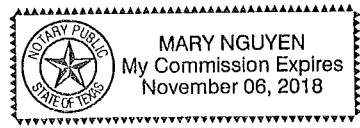
HOLD HARMLESS AGREEMENT

Applicant hereby releases Schoharie County Industrial Development Agency and the members, officers, servants, agents and employees thereof (hereinafter collectively referred to as the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (i) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the application or the project described therein or the issue of bonds requested therein are favorably acted upon by the Agency, (ii) the Agency's financing of the Project described therein; and (iii) any further action taken by the Agency with respect to the Project, including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to find buyers willing to purchase the total bond issue requested, then, and in that event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

TENNESSEE GAS PIPELINE COMPANY, LLC (Applicant)

BY: Walter A. [Signature]

Sworn to before me this 15th day of December, 2016.



[Signature]
(Notary Public)

ATTACHMENT A

TO: Project Applicants
 FROM: Schoharie County Industrial Development Agency
 RE: Cost/Benefit Analysis

In order for Schoharie County Industrial Development Agency (the "Agency") to prepare a Cost/Benefit Analysis for a proposed project (the "Project"), the Applicant must answer the questions contained in this Project Questionnaire (the "Questionnaire") and complete the attached Schedules. This Questionnaire and the attached Schedule will provide information regarding various aspects of the Project, and the costs and benefits associated therewith.

This Questionnaire must be completed before we can finalize the Cost/Benefit Analysis, please complete this Questionnaire and forward it to us at your earliest convenience.

PROJECT QUESTIONNAIRE

1. Name of Project Beneficiary ("Company"):	
2. Brief Identification of the Project:	
3. Estimated Amount of Project Benefits Sought:	
A. Amount of Bonds Sought:	\$ _____
B. Value of Sales Tax Exemption Sought	\$ _____
C. Value of Real Property Tax Exemption Sought	\$ _____
D. Value of Mortgage Recording Tax Exemption Sought	\$ _____
4. Likelihood of accomplishing the Project in a timely fashion:	

PROJECTED PROJECT INVESTMENT

A. Land-Related Costs	
1. Land acquisition	\$ _____
2. Site preparation	\$ _____
3. Landscaping	\$ _____
4. Utilities and infrastructure development	\$ _____
5. Access roads and parking development	\$ _____
6. Other land-related costs (describe)	\$ _____

B.	Building-Related Costs	
1.	Acquisition of existing structures	\$
2.	Renovation of existing structures	\$
3.	New construction costs	\$
4.	Electrical systems	\$
5.	Heating, ventilation and air conditioning	\$
6.	Plumbing	\$
7.	Other building-related costs (describe)	\$
C.	Machinery and Equipment Costs	
1.	Production and process equipment	\$
2.	Packaging equipment	\$
3.	Warehousing equipment	\$
4.	Installation costs for various equipment	\$
5.	Other equipment-related costs (describe)	\$
D.	Furniture and Fixture Costs	
1.	Office furniture	\$
2.	Office equipment	\$
3.	Computers	\$
4.	Other furniture-related costs (describe)	\$
E.	Working Capital Costs	
1.	Operation costs	\$
2.	Production costs	\$
3.	Raw materials	\$
4.	Debt service	\$
5.	Relocation costs	\$
6.	Skills training	\$
7.	Other working capital-related costs (describe)	\$
F.	Professional Service Costs	
1.	Architecture and engineering	\$
2.	Accounting/legal	\$
3.	Other service-related costs (describe)	\$
G.	Other Costs	
1.		\$
2.		\$

H.	Summary of Expenditures	
1.	Total Land-Related Costs	\$
2.	Total Building-Related Costs	\$
3.	Total Machinery and Equipment Costs	\$
4.	Total Furniture and Fixture Costs	\$
5.	Total Working Capital Costs	\$
6.	Total Professional Service Costs	\$
7.	Total Other Costs	\$

PROJECTED CONSTRUCTION EMPLOYMENT IMPACT

I. Please provide estimates of total construction jobs and the total annual wages and benefits of construction jobs at the Project:

Year	Number of Construction Jobs	Total Annual Wages and Benefits	Estimated Additional NYS Income Tax
Current Year		\$	\$
Year 1		\$	\$
Year 2		\$	\$
Year 3		\$	\$
Year 4		\$	\$
Year 5		\$	\$

PROJECTED PERMANENT EMPLOYMENT IMPACT

I. Estimates of the total number of existing permanent jobs to be preserved or retained as a result of the Project are described in the tables in Section IV of the Application.

II. Estimates of the total new permanent jobs to be created at the Project are described in the tables in Section IV of the Application.

III. Please provide estimates for the following:

A. Creation of New Job Skills relating to permanent jobs. Please complete Schedule A.

IV. Provide the projected percentage of employment that would be filled by Schoharie County residents: _____

A. Provide a brief description of how the project expects to meet this percentage:

PROJECTED OPERATING IMPACT

I. Please provide estimates for the impact of Project operating purchases and sales:

Additional Purchases (1 st year following project completion)	\$ _____
Additional Sales Tax Paid on Additional Purchases	\$ _____
Estimated Additional Sales (1 st full year following project completion)	\$ _____
Estimated Additional Sales Tax to be collected on additional sales (1 st full year following project completion)	\$ _____

II. Please provide estimates for the impact of Project on existing real property taxes and new payments in lieu of taxes ("Pilot Payments"):

Year	Existing Real Property Taxes (Without IDA involvement)	New Pilot Payments (With IDA)	Total (Difference)
Current Year			
Year 1			
Year 2			
Year 3			
Year 4			
Year 5			
Year 6			
Year 7			
Year 8			
Year 9			
Year 10			

III. Please provide a detailed description for the impact of other economic benefits and all anticipated community benefits expected to be produced as a result of the Project (attach additional pages as needed for a complete and detailed response):

CERTIFICATION

I certify that I have prepared the responses provided in this Questionnaire and that, to the best of my knowledge; such responses are true, correct, and complete.

I understand that the foregoing information and attached documentation will be relied upon, and constitute inducement for, the Agency in providing financial assistance to the Project. I certify that I am familiar with the Project and am authorized by the Company to provide the foregoing information, and such information is true and complete to the best of my knowledge. I further agree that I will advise the Agency of any changes in such information, and will answer any further questions regarding the Project prior to the closing.

I affirm under penalty of perjury that all statements made on this application are true, accurate and complete to the best of my knowledge.

Date Signed: _____, 20__.	Name of Person Completing Project Questionnaire on behalf of the Company. Name: _____ Title: _____ Phone Number: _____ Address: _____ Signature: _____
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ATTACHMENT B

SECTION 1. TYPES OF FEES. The types of fees imposed by the Agency in connection with Agency Projects shall consist of (A) an application fee and (B) an administrative fee.

SECTION 2. APPLICATION FEE. The Agency will charge a non-refundable application fee equal to \$250.00 (two hundred fifty dollars) upon the submission of the Agency's Application for Financial Assistance. The application fee is payable at the time the Application is delivered and will not be applied toward the administrative fee of the Agency.

SECTION 3. ADMINISTRATIVE FEE.

(A) Timing. The Agency will charge an administrative fee in connection with an Agency Project. In the case of an Agency Project involving the issuance of bonds, notes or other obligations issued by the Agency, such administrative fee shall be payable upon the successful conclusion of the sale of the obligations. In the case of an Agency Project involving a straight-lease transaction or other transaction not involving the sale of obligations or the Agency, the fee shall be payable upon the execution and delivery of the documents providing the financing assistance.

(B) Amount: Bond Transactions. The amount of the administrative fee for an Agency Project involving the sale of obligations issued by the Agency shall be computed as follows:

- Tax-Exempt Obligations: Except as provided below, one percent (1.0%) of the aggregate principal amount of the obligations the interest on which is not subject to federal income tax issued with respect to the Agency Project.
- Taxable Obligations: one percent (1.0%) of the aggregate principal amount of the obligations the interest on which is not subject to federal income tax issued with respect to the Agency Project. This fee formula is applicable to Agency Projects which benefit not-for-profit corporations.

The Agency agrees to modify the amount of the administrative fee computed herein if Bond Counsel advises the Agency that such modification is necessary in order to ensure that the interest on the obligations is excludable from gross income for federal income tax purposes.

(C) Amount: Refunding Bond Transaction. The amount of the administrative fee for an Agency Project involving the sale of obligations to refund an outstanding amount of obligations shall be computed as follows:

- If the outstanding obligations were originally issued by the Agency and the amount of the refunding obligations does not exceed the amount of the existing obligations, the administrative fee shall be equal to zero.

- If the outstanding obligations were originally issued by the Agency and the amount of the refunding obligations does exceed the amount of the outstanding obligations, an administrative fee shall be payable on such difference based on the formula contained in Section 4(B) above.
- If the outstanding obligations were not originally issued by the Agency, an administrative fee shall be payable on the total aggregate principal amount of the refunding obligations based on the formula in Section 4(B) above.

The Agency agrees to modify the amount of the administrative fee computed herein if Bond Counsel advises the Agency that such modification is necessary in order to ensure that the interest on the refunding obligations is excludable from gross income for federal income tax purposes.

(D) Amount: Straight Lease Transaction. The amount of the administrative fee for an Agency Project involving straight lease transactions shall be computed as follows:

- three-quarters of one percent (.75%) of the cost of the Agency Project. The cost of the Agency Project shall be the greater of the (A) amount financed by the applicant in undertaking the Agency Project, or (B) the cost incurred by the applicant in undertaking the Agency Project.

(E) Amount: Other Transactions. The amount of the administrative fee for an Agency Project not involving the issuance of the obligations or the execution of straight leases shall be determined by the members of the Agency in their sole discretion.

SECTION 4. LEGAL FEES. The company is responsible for the Agency's fees for legal services in connection with the project. These fees will be due upon closing.

SECTION 5. EXPENSES. In addition to any application fees and administrative fees an Agency Project is subject, the Agency may also charge to the applicant its reasonable expenses incurred in connection with an Agency Project. Such expenses include the following: publication charges, stenographer and transcription expenses and the expenses and fees of Agency Counsel. Any moneys generated by the payment of the expenses of the Agency pursuant to this Section 6 shall become the property of the Agency and part of its general fund.

SECTION 6. NEW YORK STATE BOND ISSUANCE FEE

<u>Principal Amount of Bonds</u>	<u>Percentage Fee</u>
\$1,000,000 or less	.168%
\$1,000,000 to \$5,000,000	.336%
\$5,000,001 to \$10,000,000	.504%
\$10,000,001 to \$20,000,000	.672%

more than \$20,000,000

.84%

SECTION 6. REIMBURSEMENT. The application and administrative fees provided for in this Part 21 are designed to cover operating expenses of the Agency. Such fees are not charged to collect any real property taxes, or other taxes, which would have been levied by or on behalf of an affected tax jurisdiction (as defined in Section 854(16) of the Act).

SECTION 7. DEVIATION. The agency may provide for a different application fee and/or a different administrative fee for a particular project by resolution duly adopted by the Agency.