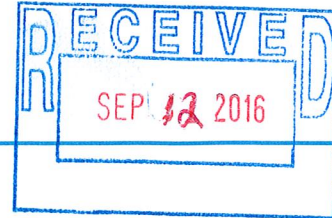




empire pipeline
A National Fuel Gas Company



September 9, 2016

VIA UPS

Mark A. Masse, CPA
Genesee County Economic Development Center
99 MedTech Drive
Suite 106
Batavia, NY 14020

Re: Empire Pipeline GDEDC Application

Dear Mr. Masse:

Enclosed please find the signed Empire Pipeline GDEDC Application.

Thank you for your assistance in this matter.

Regards,

Alice A. Curtiss
Deputy General Counsel
Attorney for Empire Pipeline, Inc.

AAC/eml
Enclosure

cc: R. C. Kraemer
J. A. Rizzo
J. E. Zablonski



**Economic
Development Center**

Application for Financial Assistance

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Note: All of the above forms must be completed in their entirety to be considered an acceptable application.

Attachments

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I. Applicant Information

Company Name: Empire Pipeline, Inc.		
Address: 6363 Main St.		
City / Town: Williamsville	State: NY	Zip: 14221
Phone No.: 716-857-7536		Fax No.: 716-857-7439
Email Address: kraemerr@natfuel.com		Fed. Id. No.: 20-3182146

SIC Code: 4922

NAICS Code : 486210

Contact Person: James Rizzo, rizzoj@natfuel.com / Joanne Zablonki, zablonkij@natfuel.com
716-857-7155 716-857-7880

Principal Owners / Officers / Directors: (list owners with 15% or more in equity holdings with percentage ownership)

Ronald C. Kraemer _____ President _____
Name & Title

David P. Bauer _____ Treasurer _____
Name & Title

Corporate Structure (attach schematic if Applicant is a subsidiary or otherwise affiliated with another entity)

Form of Entity: C Corp S Corp Partnership LLC
 LLP Sole Proprietorship Not for Profit

If a corporation, partnership, limited liability company/partnership or Not for Profit:

What is the date of the establishment: 7/12/05 Place of organization: NY and, if a foreign organization, is the Applicant authorized to do business in the State of New York?

Applicant's Counsel: Phillips Lytle, LLP		Milan K. Tyler, Esq.			
Address: 125 Main Street					
City / Town	Buffalo	State	New York	Zip	14203
Phone No.: 716-847-8400 ext. 6439		Fax No.:			

II. Project Information

- A) Detailed Description of Project (Including type, location and purpose of project: Continued operation and maintenance of an approximately 20,620 HP compressor station, with the revised valuation effective January 1, 2017 and the PILOT payments provided for herein and 78 mile natural gas pipeline servicing inhabitants of Genesee County and NYS. Continuation of PILOT will allow for financing of Western New York Science and Technology Advanced Manufacturing Park (STAMP) infrastructure fund to allow for economic development projects and job creation at the STAMP site.

Is any of the information contained herein considered trade secrets? Yes No

Note: AGENCY will protect said trade secret information herein but reserves the right to disclose certain summary information from this application (i.e. total facility s/f, total capital investment, total job creation, top level wage information et. Al.) As a part of its project summary disclosure related to the AGENCY board's public vote required and resulting from said application.

B) Location of Project / Project Address: 3309 Lockport Road Oakfield 14125
Address Town Zip

C) Current Assessed Value of Property \$ 29,100,000 Tax Map # 12.-1-60
(not required if project is for equipment purchases only)

D) Square footage of existing building NA S/F
Square footage of new / renovated build NA S/F
Total Square Footage NA S/F

Estimated Project Costs / Project Capital Investment:

Building Cost:

\$ 0 (New Building Construction cost or Existing building expansion construction)

Land and Building

\$ 0 (Purchase Value of land and/or building incl. engineering, architect and blue print fees)

Production Equipment

\$ 0 (\$ Value of Production Equipment – not sales taxable)

Other Equipment

\$ 0 (\$ Value of sales taxable equip = Furniture/Fixtures, Computers, Lockers...)

Other

\$29,000,000 describe: See Exhibit B

Total Incremental Value:

\$29,000,000 (Sum all lines above)

Estimated Public and Private Sources of Funds for Project Costs:

Grants: \$ 0

Bonds: \$ 0

GCEDC/GGLDC loan fund: \$

Bank Financing: \$ 0

Other: \$ 0

Equity: \$ 0

Total of all sources of funds: \$ 0

Mortgage Amount on this Project: \$ 0

Total Amount Financed \$ 0 Describe: _____

III. Project Employment Information

****Note:** Please use full time equivalents, approximately **Two** part time is equivalent to **One** full time. (Attach additional sheets as necessary)

E1) Current number of full time equivalent employees (prior to project): 0

E2) Estimate how many full time/ part-time jobs will be **retained** as a result of this Project over the next three years:
 Full Time (FT) 0 Part-Time (PT) 0 ** Total Full Time Equivalents (FTE) _____

*Please note retained jobs should be based upon the most recent NYS MN-45 quarterly report, a copy of which should be attached to this application.

E3) What is the average estimated (annual) salary range of jobs to be retained N/A to _____
 (at current market rates)

Number of jobs	Job Title	Estimated salary/range	Hours per week

E4) Estimate how many full time/ part-time jobs will be **created** as a result of this Project over the next three years:___

Full Time (FT) 0 Part-Time (PT) 0 ** Total Full Time Equivalents (FTE) _____

E5) What is the planned average hourly wage for the FTE jobs to be created \$ _____

E6) What is the average estimated annual salary range of FTE jobs to be created \$ _____ to \$ _____

E7) What is the planned average annual benefits paid in \$\$ per FTE job to be created \$ _____

E8) Is the Project Commercial in nature (Sales Tax Generating for Community)? YES or NO NO

E9) If yes, what is the estimated annual total Sales Tax to be generated from this project at full build-out? \$0_____

E10) Expected commencement date for project (if any) 01/17 (mo / year)

E11) Expected timeframe for project to achieve completion? 01/17 (in months)

E12) Estimate of the number of residents of the Labor Market Area (as defined in N.Y. GML Sec. 859-a(4)(f)) to fill created jobs? 0

IV. Representations by the Applicant

- Is the company delinquent in the payment of any state or municipal property taxes? Yes No
- Is the company delinquent in the payment of any income tax obligation? Yes No
- Is the company delinquent in the payment of any loans? Yes No
- Is the company currently in default on any of its loans? Yes No
- Are there currently any unsatisfied judgments against the company? Yes No
- Are there currently any unsatisfied judgments against any of the company's principals? Yes No
- Has the company ever filed for bankruptcy? Yes No
- Have any of the company's principals ever personally filed for bankruptcy, or in any way sought protection from creditors? Yes No

If the answer to any of the questions above is "Yes," please provide additional comments in the space below and on additional pages if necessary.

Please initial each item where indicated

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 "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JPTA") in which the Project is located.

AW Applicant's Initials

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 JPTA Entities for new employment opportunities created as a result of the Project.

AW Applicant's Initials

Annual Sales Tax Filings - In accordance with Section 874(8) of the 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, an Annual Report of Sales and Use Tax Exemptions (Form ST-340) by the last day of February following applicable calendar year (with a copy to the AGENCY), describing the value of all sales tax exemptions claimed by the Applicant and all consultants or subcontractors retained by the Applicant.

AW Applicant's Initials

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 quarterly basis, copies of form NYS-45-MN Quarterly Combined Withholding, Wage Reporting, and Unemployment Insurance Returns filed with the Department of Labor applicable to the project site.

AW Applicant's Initials

AGENCY 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, a certified Annual Project Report (to

be mailed to the Applicant) due by the last day of February following applicable calendar year, for a period of time not to exceed 4 years post financial assistance.

JM Applicant's Initials

Absence of Conflicts of Interest - The Applicant has received from the AGENCY a list of the members, officers, and employees of the AGENCY. No member, officers or employee of the AGENCY has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

JM Applicant's Initials To the best of Applicant's knowledge.

Recapture Provision/Uniform Tax Exemption Policy ("UTEP") – Applicant hereby understands and agrees, in accordance with Section 875(3) of the New York General Municipal Law, that any New York State and local sales and use tax exemption claimed by Applicant and approved by the Agency in connection with the Project may be subject to recapture by the Agency under such terms and conditions as will be set forth in the Agent Agreement to be entered into by and between the Agency and the Applicant. Recapture provisions would be invoked under Section 875(3) of the New York General Municipal Law if it is determined that: (i) the Company is not entitled to the Sales and Use Tax Exemption Benefits; (ii) the Sales and Use Tax Exemption Benefits are in excess of the amounts authorized by the Agency to be taken by the Company; (iii) the Sales and Use Tax Exemption Benefits are for property or services not authorized by the Agency as part of the Project; or (iv) the Sales and Use Tax Exemption Benefits are taken in cases where the Company fails to comply with a material term or condition to use property or services in the manner approved by the Agency in connection with the Project. The Applicant further represents and warrants that the information contained in this Application, including without limitation information regarding the amount of New York State and local sales and use tax exemption benefits, is true, accurate and complete. The Applicant further represents and warrants that the information contained in this Application, including without limitation information regarding the amount of New York State and local sales and use tax exemption benefits, is true, accurate and complete, to the best of the Applicant's knowledge. Applicant hereby further represents and warrants that it has reviewed the Agency's UTEP and understands and agrees that under such UTEP, the Agency has the right to recapture all or a portion of any financial assistance provided by the Agency to the Company, including, but not limited to, sales and mortgage tax exemptions and real property tax abatements upon the occurrence of certain events as set forth in the UTEP.

JM Applicant's Initials

No Violation of Section 862(1) of the General Municipal Law – In accordance with Section 862(1) of the General Municipal Law, the applicant understands and agrees that the Project will not (a) result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state, or (b) result in the abandonment of one or more plant facilities of the Project occupant located within the state. If the Project will result in (a) or (b), the applicant agrees that the requested financial assistance is necessary to prevent the Project from relocating out of the state, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry.

JM Applicant's Initials Not to Applicant's knowledge.

Financial Assistance Necessary – The applicant represents that the project would not likely occur without the financial assistance provided by the AGENCY.

JM Applicant's Initials

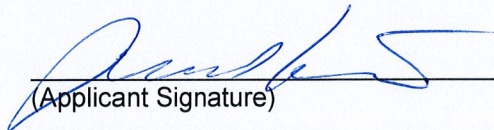
Compliance – The applicant receiving financial assistance is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.

JM Applicant's Initials

V. Signatory Page

The Applicant and the individual executing this Application on behalf of the Applicant acknowledge that:

- A) The AGENCY will rely on the representations made herein when acting on this Application and hereby represent that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.
- B) Failure of the Applicant to file appropriate Sales Tax and Employment reports will result in the revocation of tax benefits and require repayment of benefits previously claimed.
- C) If the Applicant submits knowingly false or knowingly misleading information this 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 the AGENCY's involvement in the Project and may also lead to potential criminal penalties and/or civil liabilities for perjury.



(Applicant Signature)

Ronald C. Kraemer

(Print Name)
President

Title
Empire Pipeline, Inc.

Company Name

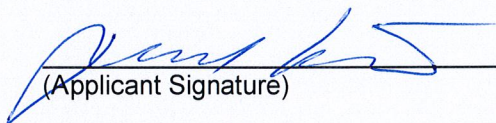
This Application should be submitted along with the items listed in Exhibit A to:

Genesee County Economic Development Center
99 MedTech Drive, Suite 106
Batavia, New York 14020
(Attn: President & Chief Executive Officer)

VI. Hold Harmless Agreement

Applicant hereby releases Genesee County Economic Development Center and the members, officers, servants, agents and employees thereof (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 (A) 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 tax exemptions and other assistance requested therein are favorably acted upon by the AGENCY, (B) the AGENCY's acquisition, construction and/or installation of the Project described therein and (C) 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 reach final agreement with the respect to the Project, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the AGENCY, its agents or assigns, all costs incurred by the AGENCY in the processing of the Application, including attorneys' fees, if any.

Applicant hereby understands and agrees, in accordance with Section 875(3) of the New York General Municipal Law, that any New York State and local sales and use tax exemption claimed by Applicant and approved by the Agency in connection with the Project may be subject to recapture by the Agency under such terms and conditions as will be set forth in the agreements to be entered into by and between the Agency and the Applicant. The Applicant further represents and warrants that the information contained in this Application, including without limitation information regarding the amount of New York State and local sales and use tax exemption benefits, is true, accurate and complete.



(Applicant Signature)

Ronald C. Kraemer

(Print Name)

President

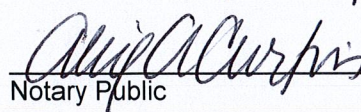
Title

Empire Pipeline, Inc.

Company Name

Sworn to before me this

9th day of September, 2011



Notary Public

ALICE A CURTISS
Notary Public, State of New York
Qualified in Erie County
Commission Expires July 01, 2012

EXHIBIT A

INSURANCE COVERAGE

1. Requirements. The Company shall maintain or cause to be maintained insurance against such risks and for such amounts as are customarily insured against by businesses of like size and type paying, as the same become due and payable, all premiums in respect thereto, including, but not necessarily limited to:

(a) (i) Insurance against loss or damage by fire, lightning and other casualties, with a uniform standard extended coverage endorsement, such insurance to be in an amount not less than the full replacement value of the Project, exclusive of excavations and foundations, as determined by a recognized appraiser or insurer selected by the Company or (ii) as an alternative to the above requirements (including the requirement of periodic appraisal), the Company may insure the Project under a blanket insurance policy or policies covering not only the Project but other properties as well.

(b) Workers' compensation insurance, disability benefits insurance, and each other form of insurance which the Agency or the Company is required by law to provide, covering loss resulting from injury, sickness, disability or death of employees of the Company who are located at or assigned to the Project.

(c) Insurance against loss or losses from liabilities imposed by law or assumed in any written contract and arising from personal injury and death or damage to the property of others caused by any accident or occurrence, with limits of not less than **\$1,000,000** per accident or occurrence on account of personal injury, including death resulting there from, and **\$1,000,000** per accident or occurrence on account of damage to the property of others, excluding liability imposed upon the Company by any applicable workers' compensation law; and a blanket excess liability policy in the amount not less than **\$3,000,000**, protecting the Company against any loss or liability or damage for personal injury or property damage.

2. Additional Provisions Respecting Insurance. (a) **All insurance required shall name the Agency as a named insured and all other insurance required by Section 4 hereof shall name the Agency as an additional insured.** All insurance shall be procured and maintained in financially sound and generally recognized responsible insurance companies selected by the Company and authorized to write such insurance in the State. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other companies engaged in businesses similar in size, character and other respects to those in which the Company is engaged. All policies evidencing such insurance shall provide for (i) payment of the losses of the Company and the Agency as their respective interest may appear, and (ii) at least thirty (30) days' prior written notice of the cancellation thereof to the Company and the Agency.

(b) All such policies of insurance, or a certificate or certificates of the insurers that such insurance is in force and effect, shall be deposited with the Agency on the date hereof. Prior to expiration of any such policy, the Company shall furnish the Agency evidence that the policy has been renewed or replaced or is no longer required by this Agent Agreement.

Exhibit B

To be completed / calculated by AGENCY

Type of Project: Attraction Expansion Retention
 Infrastructure Workforce
Offerings: SLB Bond Grant Consulting

Estimated Financial Assistance to be provided via AGENCY participation – subject to AGENCY Board Approval

*1) Estimated Sales Tax Exemption (8%)	\$ <u>0</u>
2) Estimated Mortgage Tax Exemption (1.25%)	\$ <u>0</u>
3) Estimated Property Tax Abatement	\$ <u>**</u>
4) Estimated Total Tax Savings (1+2+3):	\$ <u>**</u>
5) Estimated Tax-Exempt Interest Cost Savings (via Tax-Exempt Bond)	\$ <u>0</u>
6) Grant	\$ <u>0</u>
Type or name of grant (_____)	
7) Estimated total Company Savings (4+5+6):	\$ <u>**</u>
***8) Benefited Project Amount (the incremental value directly related to the benefits received)	\$ <u>29,000,000</u>
9) Bond Amount	\$ <u>0</u>
10) Mortgage Amount	\$ <u>0</u>
11) GCEDC/GGLDC Revolving Loan Fund	\$ <u>0</u>
12) Loan Secured	\$ <u>0</u>
Source of loan (_____)	
13) Total Amount Financed / Loan Funds Secured	\$ <u>0</u>
	(9+10+11+12)

* Estimated Value of Goods and Services to be exempt from sales and use tax as a result of the Agency's involvement in the Project. PLEASE NOTE: These amounts will be verified and there is a potential for a recapture of sales tax exemptions (see "Recapture Provision" on page 4).

** PILOT Payment Agreement – see attached Schedule A

*** \$29,000,000 is equal to the total project value of \$58,100,000 (as determined by GCEDC) less the current assessed value of \$29,100,000.

\$ 0 (to be used on the NYS ST-60)

SCHEDULE A
TO PILOT AGREEMENT DATED AS OF JANUARY 1, 2017

By and Between the Genesee County Economic Development Center
and
EMPIRE PIPELINE, INC.

"Total PILOT Payment" shall be in the amounts set forth below:

Due Date		Jan 31 - County	Jan 31 - Town		Sept 30 - School	
PILOT Year	Town/County Tax Year	PILOT Payment	PILOT Payment	School Tax Year	PILOT Payment	Total PILOT Payment
1	2017	\$205,788	\$96,502	2016-17	Not Applicable	\$302,290
2	2018	\$205,788	\$96,502	2017-18	\$508,695	\$810,985
3	2019	\$205,788	\$96,502	2018-19	\$508,695	\$810,985
4	2020	\$448,553	\$350,874	2019-20	\$560,326	\$1,359,753
5	2021	\$448,553	\$350,874	2020-21	\$560,326	\$1,359,753
6	2022	\$448,553	\$350,874	2021-22	\$560,326	\$1,359,753
7	2023	\$448,553	\$350,874	2022-23	\$560,326	\$1,359,753
8	2024	\$448,553	\$350,874	2023-24	\$560,326	\$1,359,753
9	2025	\$448,553	\$350,874	2024-25	\$560,326	\$1,359,753
10	2026	\$448,553	\$350,875	2025-26	\$560,326	\$1,359,754
11	2027	\$448,553	\$350,875	2026-27	\$560,326	\$1,359,754
12	2028	\$448,553	\$350,875	2027-28	\$560,326	\$1,359,754
13	2029	\$448,553	\$350,875	2028-29	\$560,327	\$1,359,755
14	2030	\$448,553	\$350,875	2029-30	\$560,327	\$1,359,755
15	2031	\$448,553	\$350,875	2030-31	\$560,327	\$1,359,755

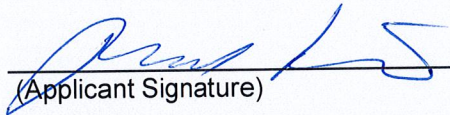
Fees to be Paid by the Applicant:

Genesee County Economic Development Center \$ 362,500 (Per the attached Pricing & Fee Policy) the AGENCY will collect a 1.25 % fee. The AGENCY will collect its participation fee at the time of closing, based upon the company provided realistic capital investment costs of this project stated in this application. *(Should the actual costs exceed those estimated, an additional fee will apply.)* **In addition, the Applicant will reimburse the Agency for any direct expenses incurred in connection with this Project, including costs related to holding a public hearing.**

The AGENCY will collect an annual administration fee. Projects with a capital investment of less than \$5 million will be charged a \$500 annual fee for each year of benefits provided. For projects with a capital investment of \$5 million or greater, there will be a \$1,000 annual fee charged.

Harris Beach, LLP \$TBD (Estimated fee for legal services required in connection with the financial assistance provided by the Genesee County Economic Development Center) **Applicant may be required to pay additional out-of-pocket expenses and applicable filing or recording fees.**

****Financial incentives are public information and will be released to the media upon board approval****



(Applicant Signature)

Ronald C. Kraemer

(Print Name)

President

Title

Empire Pipeline, Inc.

Company Name