

**TIOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**APPLICATION FOR FINANCIAL ASSISTANCE**

**PLEASE NOTE:**

**PRIOR TO SUBMITTING A COMPLETED FINAL APPLICATION AND EAF, PLEASE ARRANGE TO MEET WITH THE AGENCY'S STAFF TO REVIEW YOUR DRAFT APPLICATION AND EAF**

APPLICATION OF: 231 Main LLC  Date: 7/29/05  
~~Barbara Wilson~~  
APPLICANT NAME

231 Main LLC  
OWNERSHIP OF PROPOSED PROJECT  
(APPLICANT OR OTHER OWNER)

Type of Application:

- |  |  |
|--|--|
| <input type="checkbox"/> Tax-Exempt Bonds                  | <input type="checkbox"/> Taxable Bonds             |
| <input type="checkbox"/> Both Taxable and Tax-Exempt Bonds | <input checked="" type="checkbox"/> Sale/Leaseback |
|  | <input type="checkbox"/> Bank Financing            |
| <input type="checkbox"/> Refunding                         | <input type="checkbox"/> Amendment                 |
| <input type="checkbox"/> Second Mortgage                   | <input type="checkbox"/> Transfer                  |

Type of Project:

- |   |   |
|---|---|
| <input type="checkbox"/> Industrial/Manufacturing                         | <input type="checkbox"/> Warehousing  |
| <input type="checkbox"/> Commercial/Office                                | <input type="checkbox"/> Pollution Control/<br>(indicate type) _____              |
| <input type="checkbox"/> Not-for-Profit/Civic<br>(Specify) _____<br>_____ | <input type="checkbox"/> Energy or Cogeneration Facility                          |
| <input type="checkbox"/> Commercial/Retail                                | <input checked="" type="checkbox"/> Other (specify)<br><u>apartments</u><br>_____ |
| <input type="checkbox"/> Solid Waste                                      |   |

Description of Project (check one or more):

- |   |  |
|---|--|
| <input type="checkbox"/> New Construction   | <input checked="" type="checkbox"/> Acquisition of existing facility |
| <input type="checkbox"/> Addition to existing facility<br><input type="checkbox"/> Existing IDA project                 | <input type="checkbox"/> Purchase of new machinery and equipment     |
| <input type="checkbox"/> Renovation/modernization of existing facility<br><input type="checkbox"/> Existing IDA project | <input type="checkbox"/> Purchase of used machinery and equipment    |

Please respond to all items either by filling in blanks, by attachment (by marking space "See Attachment Number 1," etc.) or by N.A., where not applicable. This application must be filed in 4 copies. A complete application is essential for the Agency's determination of whether to provide the financial assistance requested. A non-refundable application fee of \$1,500.00 is required at the time of submission of this application to the Tioga County Industrial Development Agency (the "Agency").

The attached Environmental Assessment Form ("EAF") is an integral part of this application. This application will not be deemed complete unless accompanied by a fully completed EAF.

Before inducement, Bond Counsel (or Transaction Counsel, in the case of a Sale/Leaseback) will require a \$1,500 deposit which will be applied to actual out-of-pocket fees and disbursements made during the inducement and negotiation processes, and will be reflected on their final statement at closing.

Information provided herein will not be made public by the Agency prior to the passage of an Official Inducement Resolution, but may be subject to disclosure under the New York Freedom of Information Law.

APPLICANTS FOR FINANCIAL ASSISTANCE TO RETAIL FACILITIES ALSO COMPLETE RIDER A

APPLICANTS FOR TAX-EXEMPT BONDS ALSO COMPLETE RIDER B

I. OWNER DATA

A. PROPOSED PROJECT OWNER (THE "OWNER")

NAME 231 Main LLC

ADDRESS 176 Main St., Owego, NY 13827

CONTACT Bruce Nelson POSITION Owner

PHONE 754-2045 FEDERAL EMPLOYER I.D.# 20-3232317

FAX (607) 754-0529 E-MAIL bnelson@nelsonslamplighters.com

NAICS CODE \_\_\_\_\_

BUSINESS TYPE:

SOLE PROPRIETORSHIP  LIMITED LIABILITY COMPANY

GENERAL PARTNERSHIP  LIMITED PARTNERSHIP

OTHER (PLEASE DESCRIBE) \_\_\_\_\_

State and Date of Organization New York 7/28/05

PRIVATELY HELD CORPORATION

PUBLIC CORPORATION  LISTED ON \_\_\_\_\_ EXCHANGE

State and Date of Incorporation \_\_\_\_\_

NOT-FOR-PROFIT CORPORATION

Qualified Under Section \_\_\_\_ of Internal Revenue Code (attach a copy of IRS Determination Letter)

State and Date of Incorporation or Charter \_\_\_\_\_

EDUCATION CORPORATION

Qualified Under Section \_\_\_\_ of the Internal Revenue Code (attach a copy of IRS Determination Letter)

State and Date of Incorporation or Charter \_\_\_\_\_

ATTORNEY Kurt Schrader

FIRM NAME Pope, Schrader & Murphy

ADDRESS PO Box 510, Binghamton, NY 13901

PHONE (607) 584-4900 FAX (607) 584-4901

E-MAIL \_\_\_\_\_

**B. FACILITY USER (tenant using more than 10% of the square footage of the Facility, if different than the Owner) (THE "USER")**

NAME 231 Main LLC

ADDRESS 176 Main St., Owego, NY 13827

CONTACT Bruce Nelson POSITION Owner

PHONE 75402045 FEDERAL EMPLOYER I.D.# 20-3232317

FAX (607) 754-0529 E-MAIL bnelson@nelsonslampighters, com

NAICS CODE \_\_\_\_\_

**BUSINESS TYPE:**

SOLE PROPRIETORSHIP  LIMITED LIABILITY COMPANY

GENERAL PARTNERSHIP  LIMITED PARTNERSHIP

OTHER (PLEASE DESCRIBE) \_\_\_\_\_

State and Date of Organization New York 7/28/05

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State and Date of Incorporation or Charter \_\_\_\_\_

EDUCATION CORPORATION

Qualified Under Section \_\_\_\_ of the Internal Revenue Code (attach a copy of IRS Determination Letter)

State and Date of Incorporation or Charter

\_\_\_\_\_

ATTORNEY \_\_\_\_\_

FIRM NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

PHONE \_\_\_\_\_ FAX \_\_\_\_\_

E-MAIL \_\_\_\_\_

(Please provide names of each additional User, if any, and all of the information requested above, on a separate sheet and attach it to this questionnaire.)

- C. Any related person (e.g., stockholder, principal, partner, member, parent corporation, sister corporation, subsidiary) to the above Owner or User proposed to be a user of the Project.

<u>NAME</u>	<u>BUSINESS TYPE</u>	<u>RELATIONSHIP</u>
NA		

\_\_\_\_\_  
\_\_\_\_\_

- D. Principal stockholders or partners of the Owner and the User, if any (i.e., owners of 5% or more equity in the Owner or the User):

<u>NAME</u>	<u>% OWNED</u>	<u>WHICH COMPANY</u>
NA		

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- E. **APPLICANTS FOR TAX-EXEMPT FINANCING:** If any of the above persons, or a group of them, owns more than a 50% interest in the Owner or the User, list all other persons that are related to the Owner or the User by virtue of such owners having more than a 50% interest in such other persons.

NA

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- F. **APPLICANTS FOR TAX-EXEMPT FINANCING:** Is the Owner or the User related to any other person by reason of more than 50% common ownership? If so, indicate the name of each related person and the Owner's or User's relationship to such person.

NA

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- G. List the Owner's and the User's parent corporations, sister corporations and subsidiaries if any.

NA

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- H. Has the Owner or the User (or any other entity listed in answer to questions C-G above) been involved in or benefitted by any prior tax-exempt bond financing in the town/city/village in which this Project is located, whether through the Agency, JDA or another issuer? If so, please explain in full (e.g., name of issuer and beneficiary; original amount of issue; date of issue; current amount outstanding; purpose of issue; etc.).

No

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- I. Has the Owner or the User (or any related person) made a public offering or private placement of its stock within the last year? If so, please describe and provide the prospectus or other offering materials used.

No

- J. Has the Owner or the User (or any related person) applied to any other Industrial Development Agency in regard to this Project? If so, please provide details of any action taken with respect to the Project and the current status of such application.

No

- K. List the major bank references of the Owner and the User.

Citizens Bank, Rte 434, Apalachin, NY (Diana)

M&T, Owego, NY (Wayne Clark)

Morgan Stanley, Binghamton, NY (David Ayers)

II. OWNER'S OPERATIONS AT CURRENT LOCATION

- A. Address NA
- B. Acreage of existing facility \_\_\_\_\_
- C. Number of buildings and square feet of each building  
\_\_\_\_\_
- D. Owned or leased \_\_\_\_\_
- E. Please describe the type of operation (e.g., manufacturing, wholesale, distribution, retail, etc.) and products and services offered at current location: \_\_\_\_\_  
\_\_\_\_\_

F. Employment (current number of full-time employees or the equivalent) \_\_\_\_\_

G. Annual payroll amount \_\_\_\_\_

III. USER'S OPERATIONS AT CURRENT LOCATION

A. Address \_\_\_\_\_ NA \_\_\_\_\_

B. Acreage of existing facility \_\_\_\_\_

C. Number of buildings and square feet of each \_\_\_\_\_

D. Owned or leased \_\_\_\_\_

E. Please describe the type of operation (e.g., manufacturing, wholesale, distribution, retail, etc.) and products and services offered at current location: \_\_\_\_\_

F. Employment (current number of full time employees or the equivalent) \_\_\_\_\_

G. Annual payroll amount \_\_\_\_\_

IV. PROPOSED PROJECT DATA

A. Location of Project - Please attach a map highlighting the location of the Project. In addition, please give the real property tax map number and exact street address of the Project, including the city or village (if any) and town in which the Project will be located. (If no street address is available, please include a survey and the most precise description available.) Please also identify the school district within which the Project will be located: Owego- Apalachin School District

231 Main St., Owego, NY

Tax map # 128.0844

B. Project Site - Please submit 3 copies of plans or sketches of the proposed



acquisition, renovation or construction (under separate cover is permissible). Also attach a photograph of the site or existing facility to be improved.

1. Acreage 1.99

2. Acquisition of existing buildings:

a) Existing buildings to be acquired (number of buildings and square feet of each building):

43,000 sq. ft. - main building and annex

b) Does the Project consist of additions and/or renovations to existing buildings? If so, indicate the nature of the expansion and/or renovation in reasonable detail.

Yes. Total renovation. Roof, asbestos  
remediation, complete internal renovations,  
all new electrical, plumbing, HVAC, etc.

3. New Construction: none

a) Number and square feet of each new building to be constructed:

b) Builder or contractor and address:

c) Architect and address:

4. Present use of the Project site:

recently vacated by Tioga County offices

5. Present user of Project site:

none

6. Relationship of present user of Project site to the Owner, if any: \_\_\_\_\_

NA

C. Project Use Description – Please provide a detailed description of the Project and the Project’s intended use. (E.g., “The construction and equipping of an approximately \_\_\_\_\_ square foot building, of which \_\_\_\_\_ square feet will be used for the manufacturing of \_\_\_\_\_, \_\_\_\_\_ square feet will be used for warehousing finished products and \_\_\_\_\_ square feet will be used for office space, and the acquisition and installation of the following items of machinery and equipment: \_\_\_\_\_, all to be used by the Owner/User in connection with the manufacturing and/or warehousing of \_\_\_\_\_ for the \_\_\_\_\_ industry.) If additional space is necessary, please attach an exhibit to this application. (see Addendum #1)

**APPLICANTS FOR TAX-EXEMPT FINANCING PLEASE NOTE:** The Tax Reform Act of 1986 limits the types of facilities that are eligible for tax-exempt financing to manufacturing facilities, civic facilities and certain other exempt facilities.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

D. Are there utilities on site? yes

- a. Water (indicate municipal or other) United Water
- b. Sewer (indicate municipal or other) Owego
- c. Electric (Name of utility company) NYSEG
- d. Gas (Name of utility company) NYSEG

## **ADDENDUM #1**

### **Regarding the Project Use Description (#C)**

The project will involve the renovation fitting out of an approximately 43,000 sq ft building:

8800 sq ft to be used for commercial purposes  
the remainder to be up-scale housing units

This quality of housing unit is vital to satisfy the growing need for housing related to the Lockheed Martin expansion which includes employees in high-end jobs. It will undoubtedly result in improved downtown economics.

E. If any space in the Project is to be leased by the Agency or the Owner to third parties, or subleased by the User to third parties, indicate the total square footage of the Project to be leased to each tenant, and the proposed use of that space by each tenant. Although the tenants may not yet be known, the general purposes for which the Project will be used must still be indicated (e.g., manufacturing, office, warehouse, etc.). Use a separate sheet, if necessary.

17 - 19 apartments averaging 1400 sq ft each  
7600 sq ft common area  
8830 sq ft commercial space - general office

F. 1. List principal items or categories of equipment to be acquired as part of the Project and identify whether equipment will be new or used.

all new mechanicals  
\_\_\_\_\_  
\_\_\_\_\_

2. Have any of the items or categories listed above been ordered or obtained? If so, enclose copies of purchase orders, contracts and/or invoices.

No  
\_\_\_\_\_  
\_\_\_\_\_

G. Has construction work on the Project begun? If so, complete the following:

- 1. Site clearance       yes       no \_\_\_\_\_% complete
- 2. Foundation         yes         no \_\_\_\_\_% complete
- 3. Footings            yes         no \_\_\_\_\_% complete
- 4. Steel                 yes         no \_\_\_\_\_% complete
- 5. Masonry             yes         no \_\_\_\_\_% complete
- 6. Other (describe below):

\_\_\_\_\_  
\_\_\_\_\_

H. Existing facilities within New York State:

1. Are there other facilities owned, leased or used by the Owner or User (or any related person) within the state? If so, tell where such facilities are located and describe the terms of the Owner's or the User's (or any related person's) interest in such facilities.

176 Main St., Owego - 100% owned by Owner

mixed use space leased to tenants

1803 Castle Garden Rd., Vestal - 100% owned by Owner  
commercial

2. If there are other facilities within the state, is it expected that any of these other facilities will close or be subject to reduced activity as a result of the proposed Project?

yes

no

3. If you answered "No" to question 2 above, please explain in detail how current facilities will be utilized.

additional rental units and new commercial

business space

4. If you answered "Yes" to question 2 above, please indicate whether the Project is reasonably necessary for the Owner or User, as applicable, to maintain its competitive position in its industry and explain in detail.

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5. Has the Owner or the User thought about moving to another state? Has the Owner or the User engaged in any negotiations in that regard? If so, please explain.

No

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6. Will the Project meet current zoning requirements at its proposed location?

yes  no

a) What is the present zoning? R3

b) What zoning is required? B

c) If a change of zoning is required, please provide the details regarding, and described the status of, any change of zoning request.

Zoning change application in process

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7. Is the Project site in an Agricultural District, in a primarily agricultural area, or currently in agricultural use? If yes, provide details.

No

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8. Is the Project site in a Historic District or does it contain any buildings of historical significance? If yes, describe. Yes

SHPO: Part 1: application made, letter of recognition & approval certifying significance of this project (see attach)

Part 2: "Description of Rehabilitation" in the review process presently

Owego Historical Preservation Committee: We have received notice of determination certifying appropriateness of the planned improvements (see attachment)

9. Are any federal or state wetlands or any other environmentally critical or sensitive areas on or contiguous to the Project site? If yes, describe.

No

10. Does the Project site contain any underground or above ground storage tanks or wells, whether or not currently in use? If yes, describe.

No

11. List any state, local or federal consents or approvals (e.g., site plan approval, special use permit, environmental permits, certificates of need) that will be necessary in connection with the Project and describe the status of each such consent or approval.

see attachment for this information

I. Does the Owner or the User (or any related person) currently lease the Project site?

yes

no

J. Does the Owner or the User (or any related person) now own the Project site?

yes

no

## ATTACHMENT FOR #11

### List of consents and approvals:

\***Historical preservation** – see #9 and related attachments

\***Building Permit**: initial application has been made and the engineered drawings required for final permitting are being prepared. With the County's authorization letter dated 7/21/05 (copy attached), we should be able to obtain the building permit before closing.

\***Zoning change**: The Village of Owego is acting as the petitioner, requesting a zoning change from R-3 to B. This is expected to be approved in August.

\***EPA Watershed Initiative**: This project was submitted for consideration and approved.



1. If so, indicate:

- a) Date of purchase \_\_\_\_\_
- b) Purchase price \_\_\_\_\_
- c) Balance of existing mortgage \_\_\_\_\_
- d) Holder of mortgage \_\_\_\_\_
- e) Special conditions \_\_\_\_\_

2. If not, does the Owner (or any related person) have an option or a contract to purchase the site and/or any buildings on the site?

- yes  no

3. If so, please attach a copy of the option or contract and indicate:

- a) Date signed 6/9/05 Memorandum of Understanding  
z(attached)
- b) Purchase price \$1
- c) Proposed settlement/closing date 9/1/05

K. Has an Environmental Audit or other examination of the environmental condition of the Project site been prepared within the last five years?

- yes  no

If yes, please attach a copy. (see attached section)

V. PROJECT COSTS

A. Give an accurate estimate of the cost of each of the following items, specifying in each instance the best estimate of the portion of such costs to be financed with tax-exempt or taxable bond proceeds, if applicable:

	<u>TOTAL COST AND % BOND FINANCED</u>	
LAND* .....	_____	( _____ %)
<b>ACQUISITION AND REHABILITATION COSTS:</b>		
Existing Building** .....	\$1	( _____ %)
Cost of Rehabilitation .....	<u>1,071,000</u>	( 0 %)
<b>COST OF NEW CONSTRUCTION:</b>		
Construction of New Building .....	_____	( _____ %)
New Additions to or Expansions of Existing of Existing Building .....	_____	( _____ %)
ENGINEERING/ARCHITECTURAL FEES .....	<u>25,000</u>	( 0 %)
MANUFACTURING EQUIP. TO BE INSTALLED...	_____	( _____ %)
OTHER EQUIP. TO BE INSTALLED .....	<u>758,000</u>	( 0 %)
LEGAL FEES (Bank, Bond, Agency & Company Counsel).....	<u>20,000</u>	( 0 %)
FINANCIAL CHARGES (specify).....	<u>18,000</u>	( 0 %)
AGENCY FEES.....	_____	( _____ %)
OTHER FEES/CHARGES, etc. (specify):	_____	( _____ %)
_____	_____	( _____ %)
_____	_____	( _____ %)
<b>TOTAL PROJECT COSTS:</b>	<b>\$1,892,000</b>	<b>( 0 %)</b>
<b>AMOUNT OF BOND REQUESTED (if applicable):</b>	<b>\$ 0</b>	

\* **APPLICANTS FOR TAX-EXEMPT FINANCING NOTE:** If acquiring land, please note that federal law prohibits the use of 25% or more of tax-exempt bond proceeds for the purchase of land.

\*\* **APPLICANTS FOR TAX-EXEMPT FINANCING NOTE:** If acquiring existing buildings, please note that federal law prohibits the acquisition of existing buildings with tax-exempt bond proceeds unless the rehabilitation expenses to be incurred with respect

to the building within three years are equal to or greater than 15% of the portion of the cost of acquiring the building that is financed with tax-exempt bond proceeds. Rehabilitation does not include any amount expended on new construction (additions or expansions). These provisions do not apply to "Civic Facilities" for 501(c)(3) organizations.

**B. Method of financing costs:**

	<u>AMOUNT</u>	<u>TERM</u>
1. Tax-exempt bond financing	\$ _____	_____ years
2. Taxable bond Financing	\$ _____	_____ years
3. IDA Sale/Leaseback with conventional financing***	\$ _____	_____ years
4. IDA Sale/Leaseback with Owner/User Financing	\$ _____	_____ years
5. JDA or other governmental funding***	\$ <u>326,000</u>	_____ years
6. Other loans***	\$ <u>1,266,000</u>	_____ years
7. Company's/Owner's equity contribution	\$ <u>300,000</u>	
<b>TOTAL PROJECT COSTS:</b>	<b>\$ <u>1,892,000</u></b>	

\*\*\* Copies of all commitments must be submitted to the Agency before drafting of any bond or transaction documents can begin.

**C. APPLICANTS FOR TAX-EXEMPT FINANCING:** Have any of the above costs, which are to be reimbursed out of tax-exempt bond proceeds, been paid or incurred (including contracts of sale or purchase orders) as of the date of this application?

yes                       no

If so, please give particulars, including dates paid or incurred on a separate sheet.

- D. **APPLICANTS FOR TAX-EXEMPT FINANCING:** Are costs of working capital, moving expenses, work in progress or stock in trade included in the proposed uses of the tax-exempt bond proceeds? Give details.

NA

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- E. Will any of the funds to be borrowed through the Agency be used to repay or refinance an existing mortgage, outstanding loan or outstanding bond issue? Give details.

NA

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- F. Has the Owner made any arrangements for the marketing or the purchase of the bond or bonds? If so, indicate with whom and provide copies of any commitments and/or term sheets.

NA

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VI. MEASURES OF GROWTH AND BENEFITS

- A. Please complete the chart below by indicating on line #1 the present number of full-time or equivalent employees and the annual payroll for all current facilities of the User. On line #2, please provide the information with respect to Tioga County facilities only. (If no facilities are currently in Tioga County, indicate "0.") On lines #3 and #4, provide projections of employment and payroll at the proposed Project in Tioga County for the first and second year after the Project's completion:

		<u>Full Time or Equivalent Employees</u>	<u>Annual Payroll \$</u>
1.	PRESENT (All Current Facilities)	_____	_____
2.	PRESENT (Tioga County Only)	_____	_____
3.	FIRST YEAR (Tioga County Only)	5	100,000
4.	SECOND YEAR (Tioga County Only)	5	100,000

B. What, if any, will be the expected increase in the annual dollar amount of sales or business activity?

\$ 283,000 \_\_\_\_\_

C. Describe, if applicable, other benefits anticipated as a result of this Project, including but not limited to job retention.

Economic development - the Village by means of additional high-wage earner residences and commercial offices in the annex (see addendum #2 submitted by Doug Barton)

VII. PROJECT CONSTRUCTION SCHEDULE

A. What is the proposed date for commencement of construction or acquisition of the Project?

9/15/05 \_\_\_\_\_

B. Give an accurate estimate of the time schedule to complete the Project and when the first use of the Project is expected to occur (use additional sheets if necessary).

Roof, asbestos, exterior and site improvement by 12/05.  
Interior renovations to continue through completion  
targetted for 5/1/06

- C. At what time or times and in what amount or amounts is it estimated that funds will be required? Please provide your most accurate estimate.

NA

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**VIII. ATTACH THE FOLLOWING FINANCIAL INFORMATION OF THE OWNER AND THE USER**


- A. Financial statements for last two fiscal years (unless included in the Owner's or User's annual report).
- B. Owner's and User's annual reports (or Form 10-Ks) for the two most recent fiscal years.
- C. Quarterly reports (Form 10-Qs) and current reports (Form 8-Ks ) since the most recent annual report, if any.
- D. In addition, if applicable, please attach the financial information described above in items A, B, and C of any expected guarantor of a proposed bond issue other than the Owner or the User.
- E. Upon the request of the Applicant, the Agency will review the information submitted pursuant to this Section VIII and return all copies to the Applicant within two weeks after the inducement date. Please indicate whether you require the information to be returned.

yes

no

BY SIGNING THIS APPLICATION, I CERTIFY THAT I HAVE READ AND UNDERSTOOD THE PROJECT POLICY MANUAL PROVIDED TO ME BY THE IDA AND AGREE TO COMPLY WITH THE TERMS AND CONDITIONS SET FORTH THEREIN.

SIGNATURE OF PERSON  
COMPLETING APPLICATION

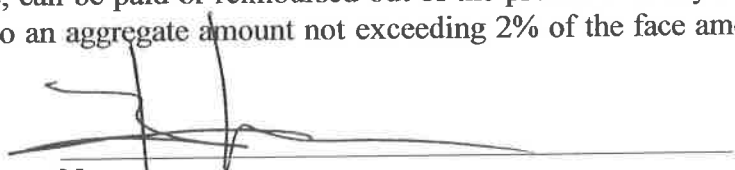
  
 Name: Bruce Nelson  
 Title: Owner  
 Company: 231 Main LLC  
 Date of Application: 7/29/05

**CERTIFICATION**

Bruce Nelson (name of representative of entity submitting application, or name of individual submitting application) deposes and says that s/he (choose and complete one of the following two options) (i) is a/the Owner (title) of 231 Main LLC (entity name), the entity named in the attached application, or (ii) is the individual named in the attached application; that s/he has read the foregoing application and knows the contents thereof; and that the same is true to his/her knowledge.

Deponent further says that s/he is duly authorized to make this certification on behalf of her/himself or on behalf of the entity named in the attached application. The grounds of deponent's belief relative to all matters in said application which are not stated upon his/her own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as, if deponent is not an individual applicant, information acquired by deponent in the course of his/her duties in connection with said entity and from the books and papers of said entity.

As (i) the representative of said entity, or (ii) the individual applicant (such entity or individual applicant hereinafter referred to as the "Applicant"), deponent acknowledges and agrees that the Applicant shall be and is responsible for all costs incurred by the Tioga County Industrial Development Agency (hereinafter referred to as the "Agency") acting on behalf of the Applicant in connection with this application and all matters relating to the issuance of bonds or the provision of financial assistance to which this application relates. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper or requested action or withdraws, abandons, cancels or neglects the application, then upon presentation of an invoice, the Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred with respect to the application up to that date and time, including fees to bond counsel or transaction counsel for the Agency and fees of general counsel for the Agency. Upon the successful conclusion of the transaction or sale of the bond issue contemplated herein, the Applicant shall pay to the Agency an administrative fee set by the Agency in accordance with its fee schedule in effect on the date of the foregoing application, which amount is payable at closing. The Applicant understands that the Agency's bond counsel's fees and general counsel's fees are considered issuance expenses and, therefore, can be paid or reimbursed out of the proceeds of any resultant tax-exempt bond issue only up to an aggregate amount not exceeding 2% of the face amount of such tax-exempt issue.



Name: Bruce Nelson  
Title: Owner

Sworn to before me this 11<sup>th</sup>  
day of August, 2005

Elizabeth A. Shepardson  
(Seal)

ELIZABETH A. SHEPARDSON  
NOTARY PUBLIC, STATE OF NEW YORK  
NO. 01SH6004658  
QUALIFIED IN TIOGA COUNTY  
COMMISSION EXPIRES MARCH 30, 2006

NEW YORK STATE FINANCIAL REPORTING  
REQUIREMENTS FOR INDUSTRIAL DEVELOPMENT AGENCIES

Please be advised that the New York General Municipal Law imposes certain reporting requirements on IDAs and recipients of IDA financial assistance. Of particular importance to IDA applicants is Section 859 (copy attached). This section requires IDAs to transmit financial statements within 90 days following the end of an Agency's fiscal year (Tioga County IDA FY is calendar), prepared by an independent, certified public accountant, to the New York State Comptroller, the Commissioner of the New York State Department of Economic Development and the governing body of the municipality for whose benefit the Agency was created (Tioga County). These audited financial statements shall include supplemental schedules listing the following information:

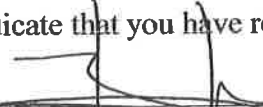
1. All straight-lease ("sale-leaseback") transactions and whether or not they are obligations of the Agency.
2. All bonds and notes issued, outstanding or retired during the period and whether or not they are or were obligations of the Agency.
3. All new bond issues shall be listed and for each new bond issue, the following information is required:
  - a. Name of the project financed with the bond proceeds.
  - b. Whether the project occupant is a not-for-profit corporation.
  - c. Name and address of each owner of the project.
  - d. The estimated amount of tax exemptions authorized for each project.
  - e. Purpose for which the bond was issued.
  - f. Bond interest rate at issuance and, if variable, the range of interest rates applicable.
  - g. Bond maturity date.
  - h. Federal tax status of the bond issue.
  - i. Estimate of the number of jobs created and retained for the project.
4. All new straight lease transactions shall be listed and for each new straight lease transaction, the following information is required:
  - a. Name of the project.
  - b. Whether the project occupant is a not-for-profit corporation.
  - c. Name and address of each owner of the project.
  - d. The estimated amount of tax exemptions authorized for each project.
  - e. Purpose for which each transaction was made.
  - f. Method of financial assistance utilized for each project, other than the tax exemptions claimed by the project.
  - g. Estimate of the number of jobs created and retained for the project.

Also of importance to IDA applicants is Section 874(8) of the General Municipal Law (copy



attached), which requires agents (i.e., project owners and/or occupants) of the Agency to file an annual statement with the State Department of Taxation and Finance, of the value of all sales tax exemptions claimed by such agents or their agents, including but not limited to consultants or subcontractors, who claim exemption from sales tax by virtue of the Agency's involvement in a transaction. The penalty for failure to file the statement is removal of authority to act as agent of the Agency.

Please sign below to indicate that you have read and understood the above.

  
\_\_\_\_\_  
Name: Bruce Nelson  
Title: Owner  
Company: 231 Main LLC  
Date: 7/29/05

RIDER A

TO BE COMPLETED BY ALL APPLICANTS FOR FINANCIAL ASSISTANCE FOR  
RETAIL PROJECTS OR PROJECTS WITH A RETAIL COMPONENT:

1. What percentage of the total Project cost will be used to finance premises that will be primarily used in making retail sales of goods or services to customers who personally visit the premises?

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2. If the Agency does not provide the financial assistance requested in this application, will the Applicant or the Project User (if different from the Applicant) locate some or all of the jobs attributable to the Project outside New York State? If so, describe.

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3. Will the proposed Project make available to residents of the city, town or village within which the Project will be located goods or services that are not otherwise reasonably available to such residents? If so, describe.

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RIDER B

TO BE COMPLETED BY ALL APPLICANTS FOR TAX-EXEMPT FINANCING

(Note: Bond Counsel also will require applicant to complete a Bond Counsel Questionnaire to determine whether the Project qualifies, in whole or in part, for tax-exempt financing. The information requested in this Rider is for initial screening and structuring purposes.)

A. List capital expenditures with respect to this Project:

	<u>Past 3 Years</u>	<u>Next 3 Years</u>	<u>Total</u>
Land	\$	\$	\$
Buildings			
Equipment			
Engineering		NA	
Architecture			
Research and development			
Interest during construction			
Other (please explain)			

If an expenditure may be either treated as a capital expenditure or may be currently expensed, for these purposes it must be treated as a capital expenditure.

Research and development expenses (other than in-house wages and supplies) with respect to a facility must be treated as capital expenditures with respect to products to be produced at the facility and with respect to equipment to be used there. Research and development expenses allocable to the project under the foregoing rule must be treated as capital expenditures with respect to it even though the research and development work takes place in a different municipality or state.

Costs of molds, etc., to be used at a facility are capital expenditures even if paid by the customer.

Costs of Equipment to be moved to a facility are capital expenditures even if the purchase and initial use of the equipment occurred outside the municipality.

B. List capital expenditures with respect to other facilities of the Company or any related corporation or person, if the facilities are located in the same municipality.

	<u>Past 3 Years</u>	<u>Next 3 Years</u>	<u>Total</u>
Land	\$	\$	\$
Buildings			
Equipment			
Engineering		NA	
Architecture			
Research and development			
Interest during construction			
Other (please explain)			