



FitzGerald Morris
Baker Firth

Kara I. Lais
Partner
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May 26, 2016

Teri Ross, Assessor
Town of Queensbury
Queensbury Town Hall
742 Bay Road
Queensbury, New York 12804

Re: Counties of Warren and Washington IDA
The Patti Company, LLC/Morris Products, Inc. Project
Project No. #5202-12-02A and 5202-12-02B
PILOT Agreement Extension

Dear Ms. Ross:

On October 7, 2014, we filed an original RP-412-a Application for Real Property Tax Exemption for the IDA's The Patti Company, LLC/Morris Products, Inc. Project (Expansion), together with a copy of the executed PILOT Agreement. In March, the IDA approved a one year extension of the commencement date of the PILOT Agreement. Enclosed is a copy of the existing PILOT Agreement and an updated Schedule B as agreed to by the IDA and the Company with a commencement date of School tax year 2017-18.

If you have any questions or require any further documents, please do not hesitate to contact me. Thank you for your attention to this matter.

Sincerely,

Kara I. Lais

Enc.

Cc: Michael Swan, Treasurer, Warren County (w/enc.)
Douglas Huntley, Superintendent, Queensbury Union Free Sch. Dist. (w/enc.)
Lexie Delurey, Director, Warren County RPTS (w/enc.)
Kevin B. Geraghty, Chairman of Warren County Board of Supervisors (w/enc.)
John Strough, Supervisor, Town of Queensbury (w/ enc.)
Debbie Mineconzo, WWIDA Office Administrator (w/enc.)

SCHEDULE B

PILOT PAYMENT SCHEDULE

The abatements shall consist of a ten-year abatement on the increase in assessed value due to the Facility Addition (a 30,300 +/- square foot addition to existing Company facilities) to be applied as follows:

<u>Tax Year</u>		<u>Abatement Schedule</u>
<u>School</u>	<u>Town/County</u>	
2017/18	2018	100% abatement on the Facility Addition
2018/19	2019	100% abatement on the Facility Addition
2019/20	2020	100% abatement on the Facility Addition
2020/21	2021	100% abatement on the Facility Addition
2021/22	2022	100% abatement on the Facility Addition
2022/23	2023	50% abatement on the Facility Addition
2023/24	2024	50% abatement on the Facility Addition
2024/25	2025	50% abatement on the Facility Addition
2025/26	2026	50% abatement on the Facility Addition
2026/27	2027	50% abatement on the Facility Addition
2027/28 & on	2028 & on	0% abatement on the Facility Addition

AGREEMENT FOR PAYMENTS IN LIEU OF TAXES

AGREEMENT FOR PAYMENTS IN LIEU OF TAXES (the "PILOT Agreement"), dated as of April 23, 2014 by and between the COUNTIES OF WARREN AND WASHINGTON INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York having its principal place of business at 5 Warren Street, Glens Falls, New York 12801 (the "Agency") and THE PATTI COMPANY, LLC, a limited liability company organized and existing under the laws of the State of New York, with its principal place of business at 53 Carey Road, Queensbury, New York 12804 (the "Company").

RECITALS

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "State"), as amended, and Section 890-c of the General Municipal Law of the State (collectively, the "Act"), the Agency was created and granted the authority to enter into agreements for the purpose of acquiring, constructing and equipping certain commercial facilities; and

WHEREAS, to advance the public purposes for which it was created, the Agency, upon application of the Company, has agreed to undertake an additional project (the "Project") consisting of (i) the construction of a 30,300 ± square foot addition to its existing facility located at 53 Carey Road, Town of Queensbury, New York (the "Facility Addition"); (ii) the acquisition of and installation therein of certain equipment comprising fixtures (the "Equipment" and together with the Facility Addition, the "Project Facility") to be used in connection with the contemplated uses, and (iii) the leasing of the Project Facility to the Company, all pursuant to the Act; and

WHEREAS, the Agency has agreed to sell and the Company has agreed to buy the Project Facility pursuant to a certain lease agreement dated as of December 28, 1999 (the "Lease Agreement"), which shall be modified and extended to cover the 10-year abatement period of this PILOT Agreement; and

WHEREAS, the Agency will hold title to the Land and all improvements thereon until such time as it may convey title to the Project Facility pursuant to the Lease Agreement; and

WHEREAS, under Section 412-a of the Real Property Tax Law and Section 874 of the General Municipal Law, the Agency is exempt from the payment of taxes and assessments on any real property acquired by it or taken under its jurisdiction, supervision or control; and

WHEREAS, Section 6.3 of the Lease Agreement provides that the Company will make certain payments in lieu of city, county, school district and other governmental taxes and charges; and

WHEREAS, in accordance with Section 874(4)(a) of the New York State General Municipal Law, the Agency has established a uniform tax exemption policy (the "Uniform Tax Exemption Policy").

COPY

NOW, THEREFORE, in partial consideration of the Agency undertaking the Project, the Company and Agency agree as follows:

AGREEMENT

SECTION 1. Definitions. Unless the context or use unambiguously indicates otherwise, all capitalized terms used herein shall have the meanings given to them in the Lease Agreement.

SECTION 2. Description of Property. This PILOT Agreement shall apply to the Land, as more particularly described within Schedule A hereto. Said Land, as of the date of this PILOT Agreement, is further identified on the Town of Queensbury Tax Map as #308.20-1-2 (formerly identified as old Tax Map #s: 137-2-1.12 and 137-2-1.22.).

SECTION 3. Company Obligations.

(A) Throughout the period title to the Land and the improvements is in the Agency, the Company shall pay to the Agency, in accordance with the terms of this agreement, certain taxes, assessments, rents and other governmental charges levied upon or against the Land and the improvements thereon (the "PILOT Payments"). In determining the amount of any PILOT Payment, such payment shall be calculated (1) as if title to the Land is in the Company and not the Agency, (2) the improvements contemplated by the Plans and Specifications are completed on or before Completion Date and (3) in accordance with the PILOT Payment Schedule as set forth in Schedule B hereto. Payments hereunder shall be made at such times and in such amounts as would be due were title to the Land and the improvements in the Company and not the Agency.

(B) In addition to the payments set forth in subparagraph (A) above, the Company shall be responsible for the payment to the Agency of all assessments, water/sewer rents and other governmental charges not included in Schedule B that would be levied upon or against the Land and the improvements thereon were title to them in the Company and not the Agency.

(C) If title to the Project Facility remains in the Agency beyond the term allowed herein, the Company shall pay to the Agency all taxes that would have been levied on or against the Facility were title to it in the Company and not the Agency. Payments hereunder shall be made at such times and in such amounts as would be due were title to the Facility in the Company and not the Agency.

(D) If any payments under paragraph (A) and (B) of this Section 3 are untimely, such payments shall be subject to late charges, costs, expenses and penalties in accordance with Section 874(5) and Section 874(6) of the General Municipal Law, as amended.

SECTION 4. Sales Tax Exemption. The initial construction and equipping of the Project Facility shall be exempt from sales tax. The initial sales tax exemption period for the Project Facility shall expire at the earlier of (i) April 1, 2015, (ii) the completion of the Project Facility, or (iii) the termination or suspension of the Letter of Authorization for Sales Tax Exemption,

subject to extension by approval of the Agency. No sales tax exemption shall be granted to the Company for the operations of the Project Facility.

SECTION 5. Mortgage Tax Exemption. All mortgages for Project Facility Costs placed against the Project Facility shall be exempt from the payment of mortgage recording tax, as would otherwise be charged pursuant to the Tax Law, as amended. If a mortgage amount exceeds Project Facility Costs, the amount of the mortgage in excess of Project Facility Costs are not exempt from mortgage recording tax.

SECTION 6. Recapture of Benefits. All benefits derived hereunder shall be subject to the Uniform Recapture of Benefits Policy of the Agency as set forth on Schedule C hereto.

SECTION 7. Distribution of Payments. The Agency shall distribute each payment hereunder among the tax districts within which the Facility is located in accordance with '858(15) of the General Municipal Law, as amended.

SECTION 8. Event of Default. Failure of the Company to make any payment required hereunder, such a failure continuing for 30 days, shall constitute an Event of Default under the Lease Agreement.

SECTION 9. Term of Agreement. The term of the PILOT Agreement shall be from the date hereof, to the date title to the Land, upon which the addition is located, is conveyed to the Company (or any other Person) by the Agency pursuant to the provisions of the Lease Agreement. Ownership of the Land and improvements is in the name of the Agency. The Company shall be liable for all real property taxes levied on, or which could be levied on, the improvements based on the assessment roll in effect on the date of this PILOT Agreement. The Company shall be liable for all real property taxes levied on, or which could be levied on, the Land and improvements from the date of conveyance from the Agency to the Company pursuant to the provisions of Section 520 of the Tax Law of the State of New York.

SECTION 10. Grievance Procedure.

(A) The Agency hereby assigns to the Company all of the Agency's rights under the Real Property Tax Law to contest any assessment on or real property tax levied against the Land and the Facility. Should the Company commence any real property assessment review proceeding under this Section 10, the Company shall have the right to prosecute such action or administrative adjudication in the name of the Agency. If the Company shall prevail in such proceeding, the Agency shall pass through to the Company any refunds of payments in lieu of taxes the Agency receives from the taxing jurisdictions based upon the final order or judgment of the court or Governmental Authority reviewing the assessment or tax.

(B) The rights assigned in paragraph (A) of this Section 10 are subject to those rights and obligations created by the Lease Agreement.

SECTION 11. Assignment of Company Obligations. The obligations of the Company under the PILOT Agreement may not be assigned in whole or in part to any other Person without the prior written consent of the Agency.

SECTION 12. Merger of Agency.

(A) Nothing contained in the PILOT Agreement shall prevent the consolidation of the Agency with, or merger of the Agency into or assignment by the Agency of its rights and interests hereunder to any other body corporate and politic and public instrumentality of the State or political subdivision thereof which has the legal authority to perform the obligations of the Agency hereunder, provided that upon any such consolidation, merger or assignment, the due and punctual performance and observance of all the agreements and conditions of the PILOT Agreement and the Lease Agreement to be kept and performed by the Agency shall be expressly assumed in writing by the public instrumentality or political subdivision resulting from such consolidation or surviving such merger or to which the Agency's rights and interests hereunder shall be assigned.

(B) As of the date of any such consolidation, merger or assignment, the Agency shall give notice thereof in reasonable detail to the Company. Pursuant to Section 9.2 of the Lease Agreement, the Agency shall promptly furnish to the Company such additional information with respect to any such consolidation, merger or assignment as the Company reasonably may request.

SECTION 13. Uniform Tax Exemption Policy. This PILOT Agreement and its provisions are in compliance with the Agency's Uniform Tax Exemption Policy.

SECTION 14 Empire Zone Eligible Real Property Taxes. The Land is located within the Warren County Empire Zone pursuant to Article 18-B of the General Municipal Law and the Company has been certified as a Qualified Empire Zone Enterprise ("QEZE") as QEZE No.72-0063-2873. The payments required pursuant to this agreement are intended to qualify as "eligible real property taxes", as defined within Tax Law Section 15(e), as added by Chapter 85 of the Laws of 2002 of the State.

SECTION 15. Counterparts. This PILOT Agreement may be executed in several counterparts each of which shall be an original and all of which shall constitute but one instrument.

SECTION 16. Applicable Law. This PILOT Agreement shall be governed exclusively by the applicable laws of the State.

SECTION 17. Section Headings. The section headings of this PILOT Agreement have been prepared for convenience only and shall not affect the meaning of any provision of this PILOT Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

SIGNATURE PAGE FOLLOWS]

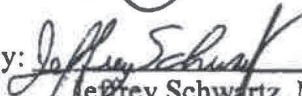
IN WITNESS WHEREOF, the Agency and the Company have caused this PILOT Agreement to be executed and sealed by their Authorized Representatives as of the date first above written.

COUNTIES OF WARREN AND WASHINGTON
INDUSTRIAL DEVELOPMENT AGENCY

[SEAL]

By: 
Harold G. Taylor, Chairman

THE PATTY COMPANY, LLC

By: 
Jeffrey Schwartz, Member

ACKNOWLEDGMENTS

STATE OF NEW YORK)
) ss.:
COUNTY OF WARREN)

On the 22 day of April in the year 2014, before me, the undersigned, personally appeared **Harold G. Taylor**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.




Notary Public

KARA I. LAIS
Notary Public, State of New York
Saratoga Co. #02LA6105701
Commission Expires Feb. 17, 20 16

STATE OF NEW YORK)
) ss.:
COUNTY OF WARREN)

On the 30 day of April in the year 2014, before me, the undersigned, personally appeared **Jeffrey Schwartz**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

KARA I. LAIS
Notary Public, State of New York
Saratoga Co. #02LA6105701
Commission Expires Feb. 17, 20 16

SCHEDULE A

DESCRIPTION OF THE LAND

ALL THAT CERTAIN lot, piece or parcel of land, situate in the Town of Queensbury, County of Warren and State of New York, shown on a map entitled Northern Distributing Subdivision, Town of Queensbury, Phase 1, made by Rist-Frost Associates, P.C., dated October 28, 1987, filed in the Office of the County Clerk of the County of Warren on October 3, 1989 in the Oversized Map Cabinet as Map E-5, as Lot Number 4.

ALSO ALL THAT CERTAIN lot, piece or parcel of land, situate in the Town of Queensbury, County of Warren and State of New York, shown on a map entitled Northern Distributing Subdivision, Town of Queensbury, Phase 2, made by Rist-Frost Associates, P.C. dated February, 1989, filed in the Office of the County Clerk of the County of Warren on October 3, 1989 in the Oversized Map Cabinet as Map E-3, as Lot Number 13.

SCHEDULE B

PILOT PAYMENT SCHEDULE

The abatements shall consist of a ten-year abatement on the increase in assessed value due to the Facility Addition (a 30,300 +/- square foot addition to existing Company facilities) to be applied as follows:

<u>Tax Year</u>		<u>Abatement Schedule</u>
<u>School</u>	<u>Town/County</u>	
2015/16	2016	100% abatement on the Facility Addition
7 2016/17	2017	100% abatement on the Facility Addition
2017/18	2018	100% abatement on the Facility Addition
2018/99	2019	100% abatement on the Facility Addition
2019/20	2020	100% abatement on the Facility Addition
2020/21	2021	50% abatement on the Facility Addition
2021/22	2022	50% abatement on the Facility Addition
2022/23	2023	50% abatement on the Facility Addition
2023/24	2024	50% abatement on the Facility Addition
2024/25	2025	50% abatement on the Facility Addition
2025/26 & on	2026 & on	0% abatement on the Facility Addition

*Superseded
see next page*

Revised

for Board approval
Feb. 17, 2015

SCHEDULE B

PILOT PAYMENT SCHEDULE

The abatements shall consist of a ten-year abatement on the increase in assessed value due to the Facility Addition (a 30,300 +/- square foot addition to existing Company facilities) to be applied as follows:

<u>Tax Year</u>		<u>Abatement Schedule</u>
<u>School</u>	<u>Town/County</u>	
2016/17	2017	100% abatement on the Facility Addition
2018/17	2018	100% abatement on the Facility Addition
2018/19	2019	100% abatement on the Facility Addition
2019/20	2020	100% abatement on the Facility Addition
2020/21	2021	100% abatement on the Facility Addition
2021/22	2022	50% abatement on the Facility Addition
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2023/24	2024	50% abatement on the Facility Addition
2024/25	2025	50% abatement on the Facility Addition
2025/26	2026	50% abatement on the Facility Addition
2026/27 & on	2027 & on	0% abatement on the Facility Addition

SCHEDULE C

Counties of Warren and Washington Industrial Development Agency

UNIFORM RECAPTURE OF BENEFITS POLICY

A. For companies receiving real property tax abatements the recapture of benefits schedule (applicable to the real property tax abatements) is as follows:

Within 1 year	100%
Within 2 years	100%
Within 3 years	100%
Within 4 years	50%
Within 5 years	25%
After 5 years	0%

The time period above is from the effective date of the PILOT Agreement. Imposition of any recapture is at the sole discretion of the Agency and is reviewed/considered on a case by case basis. Reasons for the recapture of benefits include the following:

1. Sale or closure of the facility and departure of the company from the counties of Warren and Washington.
2. Significant change in the use of the facility and/or the business activities of the company.
3. Significant employment reductions not reflective of the company's (normal) business cycle and/or local and national economic conditions.
4. Failure to comply with annual reporting requirements.
5. Failure to achieve the minimum number of net new jobs specified in the application within 3 years. (Jobs of thirty (30) or more hours per week will be considered as one full time job. Part time permanent jobs of less than thirty (30) hours per week will be converted to full time equivalent jobs by dividing the total number of part time hours by 30.)

B. In addition to the above reasons for recapture, the Agency shall recover, recapture, receive or otherwise obtain from the Company, or its subagents, sales tax benefits that were taken or purported to be taken which are:

1. In excess of the amounts authorized; or
2. For property or services not authorized; or
3. For a project that failed to comply with a material term or condition to use property or services in the manner required by any and all provisions of the agreements that the Company has entered into with the Agency.

For purposes of this Recapture of Benefits Policy, the Company and its subagents shall cooperate with the Agency in its efforts to recover, recapture, receive or otherwise obtain such State sales and use benefit exemptions and shall promptly pay over such amount to the Agency that it requests. The failure to pay over such amounts to the Agency shall be grounds for the Commissioner of Taxation and Finance to assess and determine State sales and use taxes due from the Company under Article 28 of the New York State Tax Law, together with any penalties and interest due on such amounts.

In the event that the Agency recovers, recaptures, receives or otherwise obtains any amount of State sales and use tax exemption benefits from the Company or its agents, the Agency shall, within thirty (30) days of coming into possession of such amount, remit it to the Commissioner of Taxation and Finance, together with such other information and report that the Commissioner deems necessary to administer payment over such amount.

NOTE: The Agency, at its discretion, reserves the right to deviate from its Recapture of Benefits Policy, and to impose more severe penalties and restrictions.

Sept 12, 2017.

Counties of Warren and Washington Industrial Development Agency

APPLICATION FOR ASSISTANCE

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 Counties of Warren and Washington Industrial Development Agency. These answers will also be used in the preparation of documents in this transaction. Accordingly, all questions must be answered accurately by an officer or other employee of your firm who is thoroughly familiar with the business affairs of your firm, and who is also thoroughly familiar with the proposed Project. This application is subject to acceptance by the Agency.

**TO: COUNTIES OF WARREN & WASHINGTON INDUSTRIAL DEVELOPMENT AGENCY
5 WARREN STREET, GLENS FALLS, NEW YORK 12801
Tel: (518) 792-1312 Fax: (518) 793-9010 e-mail: dmineconzo@warren-washingtonida.com**

This application by the applicant respectfully states:

① MORRIS PRODUCTS INC.
APPLICANT: ② THE PATTI COMPANY LLC. _____

APPLICANT'S ADDRESS: 53 Carey Road _____

CITY: Queensbury **STATE:** NY **ZIP:** 12804

CONTACT PERSON(S) FOR APPLICANT WITH RESPECT TO THIS APPLICATION:

Jeff Schwartz _____

TELEPHONE NO: 518-743-0523 **FAX NO.:** 518-743-0536

E-MAIL ADDRESS: jeff@morrisproducts.com _____

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

NAME OF ATTORNEY: Mark Lebowitz _____

FIRM: Bartlett, Pontiff, Stewart & Rhodes _____

ATTORNEY'S ADDRESS: 1 Washington Ave _____

CITY: Glen Falls **STATE:** NY **ZIP:** 12801

TELEPHONE NO.: 518-792-2117 **FAX NO.:** 518-824-1039

E-MAIL ADDRESS: mal@bpsr/law.com _____

NOTE: **PLEASE READ THE INSTRUCTIONS ON PAGE 2 BEFORE FILLING OUT THE REST OF THIS FORM**

Counties of Warren and Washington Industrial Development Agency
5 Warren Street, Glens Falls, New York 12801

APPLICATION 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 the Project contemplated therein.
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 the application.
3. If an estimate is given as the answer to a question, put "(est.)" after the figure or answer.
4. If more space is needed to answer any specific question, attach a separate sheet, and so state on this application form.
5. **SEQRA:** The Agency will not give final approval to the application until the Agency receives a completed full Environmental Assessment Form (EAF) (Parts 1 & 2) concerning the Project which is the subject of the application. *See Attachment*
6. When completed, return **twelve copies of the application, EAF and supporting documents** to the Agency at the address indicated on the first page of the application.
7. **Please note:** Article 6 of the Public Officers Law states 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, which 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. As used in the application, the word "person" refers to a natural person, partnership, corporation, and/or other business entity.
9. If the information necessary to respond to a particular question is unknown at the time of submittal of the application, so indicate in the appropriate space(s) on the application.
10. The Agency's Chairman and legal counsel as described above must receive a complete application at least **four weeks** prior to the Agency meeting at which the application is to be considered.
11. The Agency has established an application fee of **FIVE HUNDRED DOLLARS (\$500.00)** to cover the anticipated costs of the Agency in processing the application. A check or money order made payable to the Agency must accompany each application. **THE APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS ACCOMPANIED BY THE APPLICATION FEE.**

12. The Agency has established an administrative fee to be paid by the applicant upon successful conclusion of the sale of the bonds or procurement of substitute financing, said fee being intended to cover the indirect expenses incurred by the Agency in administering the Project. The administrative fee will be the following amount:

First \$10 Million	3/4 of 1%
Next \$10 Million	1/2 of 1%
Next \$10 Million	1/4 of 1%
Above \$30 Million	1/8 of 1%

Note: Fees are cumulative

The percentage is based on the aggregate principal amount of the Bonds issued or, in the case of a lease transaction, the total Project cost.

13. The applicant will be required to pay to the Agency all actual costs incurred in connection with the 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). The costs incurred by the Agency, including the Agency's legal fees and other "soft costs" such as bond counsel and accountant fees, may be considered as a part of the costs of the Project and included in the calculation of the amount of the Industrial Development Revenue Bond issue.
14. Security Deposit: To ensure that the Agency's costs are reimbursed if the Project does not proceed, applicant shall pay to the Agency a security deposit equal to one-half of one percent (0.5%) of the cost of the Project or \$10,000.00, whichever is greater. The maximum initial deposit is set at \$25,000.00. Payment shall be made prior to passage of an Inducement Resolution for the Project.
15. In the event that prior to closing the actual costs incurred, or anticipated costs to be incurred, by the Agency equal or exceed the original security deposit, the Agency may require an additional security deposit before incurring any additional expense and proceeding with the Project.
16. At the time of closing, or in the event the Project is discontinued, after reimbursement of the Agency's costs, any excess funds shall be returned to the applicant. Should the Agency's costs exceed the deposit, applicant shall pay the Agency the difference between the costs and the deposit.

[THE AGENCY RESERVES THE RIGHT TO DEVIATE FROM THE FOREGOING BASED UPON THE SIZE AND NATURE OF THE PROJECT AND THE FINANCIAL STRENGTH OF THE APPLICANT]

CRITERIA FOR CONSIDERING APPLICATIONS

A. AGENCY EVALUATION GUIDELINES

1. Project Feasibility

The applicant must provide information which demonstrates that the proposed Project is feasible. The term "Project" means the activity or group of integrally related activities which are to be carried out by the applicant and all public and private participating parties.

Project feasibility includes but is not limited to (1) evidence that costs, both capital and operating are reasonable; (2) that a reasonable, well thought out business plan exists; (3) that appropriate management and financial accounting capabilities are in place; (4) that there is a market for the proposed service, activity or product(s) and that a reasonable market plan is in place; (5) that revenue estimates are reasonable and that all sources of project funds, including Industrial Development Bond buyers, are firmly committed or can reasonably be expected to be firmly committed prior to closing.

In determining Project feasibility, the Agency shall examine the information and documentation it deems necessary to make an informed judgment which shall include, but not be limited to the following:

- a. Company's Financial Statement - Attachment
- b. Personal Financial Statements (partners, members and 5% owners of corporations) - Attachment
- c. Project Capital Cost Estimate and Equipment Quotes - Attachment
- d. Working Capital Needs NA
- e. Projection of Income Operating Quotes NA
- f. Cash Flow and Net Profit - See Fin. Statements - Tax Returns
- g. Business Plan - Attachment
- h. Job Projections - retained and created - See Pg 15 Impact Statement
- i. Evidence of Equity and Other Firm Financial Commitments Pioneer Letter

Project feasibility issues that are not resolved to the satisfaction of the Agency are an appropriate reason for refusal. The Agency and its legal counsel will provide reasonable advice and assistance to the applicant.

NOTE: ITEMS "a" AND "b" ABOVE MUST BE SUBMITTED WITH THE APPLICATION. ADDITIONAL INFORMATION WILL BE REQUIRED PRIOR TO FINAL APPROVAL. - ALL FINANCIAL AND PROPRIETARY INFORMATION WILL BE KEPT CONFIDENTIAL AS PERMITTED BY LAW.

2. Impact on Local Economy

The Counties of Warren and Washington Industrial Development Agency will use the following criteria for reviewing Agency applications:

All applications for Agency financing and straight lease transactions will be reviewed by the Agency in order to determine whether or not they would have a significant beneficial impact upon the Counties economy. Measures of significance would include, but not be limited to the following:

- Jobs:
 - a. Number and type of local jobs retained and used during the construction phase of the Project.
 - b. Number and type of jobs retained and created by the Project upon commencement of the operation of the facility.
- Tenant Characteristics: Manufacturing facilities and back office operations expanding or relocating into Warren and Washington Counties; corporate headquarters; moderate priced rental space for start-up and small businesses; incubator space for research and development, etc.
- Cost Benefit: Agency financing results in better building; lower rents; expanded Project scope; additional revenues to the counties, cities, villages and school districts through PILOT agreements; etc.
- Uniqueness: Building serves previously under-served segment of rental market; upgrades a distressed area; Project provides amenities for the public; Project is supported by the community, etc.
- Existing Business: The effect the Project will have on existing businesses will be considered by the Agency.
- Tax Abatements: The tax abatements available to and requested by the applicant will be considered by the Agency.

NOTE: The above significant indicators are not all inclusive and are not in priority order. They are simply meant as examples of measurements to be used when reviewing each application on its merits.

B. FINANCING DECISIONS

Before making its final decision, the Agency will perform a cost-benefit analysis of the Project as well as a feasibility analysis. The Agency may have the analysis performed by the Agency's accountants.

Loan applicants will be informed in writing of the action of the Agency and the Agency shall document its decisions which shall include a statement or explanation of the public purpose served by the decision.

Following approval, the Agency shall forward a Preliminary Agreement to the applicant for signature. Such agreement shall set forth the complete terms and conditions of the IDA financing or lease.

Counties of Warren and Washington Industrial Development Agency
5 Warren Street, Glens Falls, New York 12801

UNIFORM TAX ABATEMENT POLICY

A. PAYMENT IN LIEU OF TAXES:

MANUFACTURING /R&D/ OFFICE PROJECTS:
(minimum of 10 net new jobs)*

Eligible projects are limited to manufacturing, re-manufacturing, assembly processing, warehouse, wholesale/distribution, product research and development, power generation projects and limited office functions. **

BASE PILOT:

Continue to pay 100% of taxes on land and existing buildings.
Continue to pay 100% of water, sewer and special assessments.

PILOT ON NEW CONSTRUCTION:

100% exemption for a period of 5 years;
50% exemption for the next 5 years.
100% of taxes Year 11.

OTHER PROJECTS:
(minimum of 25 net new jobs)*

Eligible projects permitted by General Municipal Law, including but not limited to professional offices,** recreational facilities, railroad facilities and retail facilities.

BASE PILOT:

Continue to pay 100% of taxes on land and existing buildings.
Continue to pay 100% of water, sewer and special assessments.

PILOT ON NEW CONSTRUCTION:

50% exemption for 5 years; 25% exemption for the next 5 years.
100% of taxes Year 11.

* Minimum number of jobs is waived for projects to be located in buildings vacant for more than one year, and projects to be located in "highly distressed" areas. May be waived for other projects if Agency finds it is in the best interest of Warren and Washington Counties.

** Eligible office projects are limited to the following functions: communication, computer programming, data processing, financial services (not local insurance, financial planning or stock broker agencies), or central administrative offices.

NOTE: Eligible projects not meeting the above criteria shall be eligible for 485-b tax abatement. (Town approval not required).

It is the intent of the Warren and Washington IDA to encourage applicants to make every effort to use local suppliers, contractors and workers during the construction phase.

APPROVAL OF TOWN: Some Towns have elected to require Town Board approval of any real property tax abatement other than 485-b before implementation by the Agency. The Agency's Office Administrator should be contacted in this regard.

B. SALES TAX:

1. Agency provides sales tax exemption during initial construction and equipping of facility only. The Agency does not provide on-going sales tax exemption for operating expenses.

2. The sales tax exemption agreement has an expiration date, based upon the estimated completion date plus six months to allow for possible delays and equipping. Extension of expiration dates must be approved by the Agency.

3. Estimates and/or actual sales tax savings for Section 859 Reports are provided at year end to the Agency.

C. MORTGAGE RECORDING TAX:

All WWIDA projects are eligible for exemption from mortgage recording tax.

Counties of Warren and Washington Industrial Development Agency
5 Warren Street, Glens Falls, New York 12801

**CRITERIA FOR CONSIDERING ENHANCED REAL PROPERTY TAX ABATEMENTS FOR
AGENCY PROJECTS**

The Counties of Warren and Washington Industrial Development Agency will consider providing enhanced real property tax abatements for Agency applicants who are proposing projects of great economic impact.

Any enhanced abatement will be provided only on the increased assessed value attributable to the improvements resulting from the proposed Project. Current property tax levels already in place will continue to be paid on land and existing buildings.

Proposed enhanced abatements will be considered on a case by case basis and may be up to 100% abatement on improvements for a period of up to 15 years.

The Counties of Warren and Washington IDA will use the following criteria for considering the provisions of enhanced real property tax abatements:

1. Number of jobs to be created.
2. Quality of jobs to be created.
3. Capital investment by company.
4. Brownfield and/or dilapidated site.
5. Use of local workers, vendors and suppliers during the construction phase.

RECAPTURE BENEFITS POLICY: The recapture of the enhanced portion of real property tax abatements will be incorporated into all PILOT agreements.

APPROVAL OF TOWN NECESSARY: All enhanced real property tax abatements will be subject to the approval of the town (or city) within which the Project is located. The town (or city) will be required to take into consideration the needs of the school district and/or village within which the Project is located.

PLEASE NOTE: The provision for enhanced real property tax abatement is a discretionary policy. The Counties of Warren and Washington IDA will consider providing the enhanced abatement based upon the above-cited criteria guidelines, in addition to the criteria set forth on pages 18-20 of the Agency's Policies and Procedures Manual and sections 852 and 858 of the General Municipal Law. Each project will be reviewed on a case by case basis in determining whether such a project is eligible for the added incentive. Compliance with the foregoing criteria does not guarantee approval.

I. INFORMATION CONCERNING PERSON(S) TO WHOM THE AGENCY IS TO LEASE OR SELL THE PROJECT (HEREINAFTER REFERRED TO AS THE "COMPANY")

① MORRIS PRODUCTS INC.

a.) Company Name: ② THE PATTI COMPANY LLC
Present Address: 53 CAREY ROAD
City: Queensbury State: NY Zip: 12804
Employer's I.D. No.: ① 14-1768823 ② 20-1360181

b.) If the Company differs from the Applicant, give details of relationship:
Morris Products owns the business

The Patti Company owns the Property.

c.) Indicate type of business organization of the Company:

Corporation ① Subs
Type of Corporation: ② LLC
Country incorporated in: USA
State incorporated in: New York
Date incorporated: ① 1994 ② 2004
Date authorized to do business in New York: ① 1994 ② 2004

____ Limited Liability Company
Type of LLC: N/A
State organized in: _____
Date organized: _____
Number of members: _____

____ Partnership
Type of Partnership: N/A
State organized in: _____
Date organized: _____
Number of general partners: _____
Number of limited partners: _____

____ Sole Proprietor

d.) Is the Company a subsidiary or direct or indirect affiliate of any other organization(s)?

Yes _____ No

If so, indicate name of related organization(s) and relationship: N/A

e.) Management of Company: List all owners, officers, directors, members of an LLC and general partners, where applicable (complete all columns for each person):

	Name	Address	Office Held	Other Principal Affiliations
①	Jeffrey Schwartz	Qby, NY	President	
	Morris Schwartz	West Palm Beach Florida	VP Treasurer	
	Hilda Schwartz	West Palm Beach Florida	Secretary	
②	Jeffrey Schwartz	Qby, NY	member	
	Ana Schwartz	Qby, NY	member	

Is the Company or management of the Company now a plaintiff or a defendant in any civil or criminal litigation? Yes No

Has any person listed above ever been convicted of a criminal offence (other than a minor traffic violation)? Yes No

Has any person listed above, or any concern with such person has been connected with, ever been in receivership or been adjudicated in a bankruptcy? 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 of the Company is traded: N/A

If no, list all stockholders, members or partners having a 5% or greater percentage interest in the ownership or profits of the Company:

	Name	Address	Percentage of Holding
①	Jeffrey Schwartz		100%
②	Jeffrey Schwartz		50%
	Ana Schwartz		50%

g.) Company's Principal Bank(s): Pioneer Bank

II. INFORMATION CONCERNING PERSON(S) TO WHOM THE COMPANY INTENDS TO LEASE OR SUBLEASE THE PROJECT (HEREINAFTER REFERRED TO AS THE "SUBLESSEES") *N/A*

Please give the following information with respect to each Sublessee to whom the Company intends to lease or sublease more than 10% (by area, or fair market rental value) of the Project:

a.) Sublessee Name: N/A
Present Address: _____
City: _____ State: _____ Zip: _____

Sublessee is: _____ Corporation
_____ Limited Liability Company
_____ Partnership
_____ Sole Proprietorship

Relationship to Company: N/A

Percentage of Project to be leased or subleased: N/A

Use of Project intended by Sublessee: N/A

Date of lease or sublease to Sublessee: N/A

b.) Sublessee Name: N/A
Present Address: _____
City: _____ State: _____ Zip: _____

Sublessee is: _____ Corporation
_____ Limited Liability Company
_____ Partnership
_____ Sole Proprietorship

Relationship to Company: N/A

Percentage of Project to be leased or subleased: N/A

Use of Project intended by Sublessee: N/A

Date of lease or sublease to Sublessee: N/A

NOTE: If more than two (2) Sublessees of more than 20%: Please add information on the back of this page.

III. DATA REGARDING PROPOSED PROJECT

a.) Summary: (Please provide a brief narrative description of the Project) _____
30,150 sq Warehouse Addition
Metal 'Butler Type'
28'-32' High Ceiling

b.) Location of Proposed Project:

1. Street address: 53 Carey Road
2. City where located: N/A
3. Town where located: Queensbury
4. Village where located: N/A
5. School District where located: Queensbury
6. Fire District where located: West Glens Falls
7. County where located: Warren

c. Project Site:

1. Approximate size (in acres or square feet) of Project site: 4.73 Acres
Is a map, survey or sketch of 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 existing buildings:

30,600 sq Office & Warehouse
(This is a new addition to the existing building)

3. Are existing buildings in operation? Yes No

If yes, describe present use of present buildings: _____

2500 sq Office
28,100 sq Warehouse

Are existing buildings abandoned? Yes No

Are existing buildings about to be abandoned? Yes No

4. Utilities serving Project site:

Water – Municipal: Yes
Other (describe): _____
Sewer – Municipal: No
Electric – Utility: Yes
Other (describe): _____
Gas – Utility: Yes
Other (describe): _____

5. Present legal owner of Project site: Counties of Warren & Washington IDA

If the Company (or Sublessee) owns the Project site, indicate date of purchase: N/A

Purchase Price: _____

If the Company is not the owner, does the Company (or any Sublessee) have an option signed with the owner to purchase the Project site? Yes _____ No _____

If yes, indicate the date the option was signed with the owner: N/A

If the Company (or any Sublessee) does not own the Project site, is there a relationship legally or by common control between the Company (or any Sublessee) and the present owners of the Project site? Yes X No _____

If yes, describe in detail: 10 year IDA Lease Agreement

6. Zoning District in which Project site is located: Light Industrial

Are there any variances or special permits affecting the site? Yes _____ No X

If yes, list below and attach copies of all such variances or special permits: _____

d. Buildings:

1. Does part of the Project consist of new building(s): Yes X No _____

If yes, indicate number and size of new buildings: 30,150 sq Warehouse

2. Does part of the Project consist of additions and/or renovations to the existing building(s)? Yes No

If yes, indicate nature of expansion and/or renovations: 30,150 sq Additional Warehouse Space

3. Describe the principal uses to be made by the Company of the building or buildings to be acquired, constructed or expanded: Warehouse Materials for Redistribution

e. What are the principal products to be produced at the Project? N/A

f. What are the principal activities to be conducted at the Project?
① Warehouse Electrical Construction Materials
② Ship to customers throughout the USA
③ Sales Office

g. Who will be the primary suppliers and vendors for the products or services to be produced at the facility? Approx 100 suppliers - No primary

h. Construction status:

1. Has acquisition of this Project commenced? Yes No

If yes, please discuss in detail the extent of the acquisition: N/A

2. Has construction work on this Project begun? Yes No

Estimated Start Date: Nov 2012 Estimated Completion Date: Oct 2013

If yes, please discuss in detail the approximate extent of construction and extent of completion. Indicate in your answer whether such specific steps have been completed as site clearance and preparation, completion of foundations, installations of footings, etc.:

N/A

3. Please indicate the amount of funds expended on this Project by the Company in the past three years and the purposes of such expenditures: N/A

IV. EMPLOYMENT IMPACT

- a. Indicate the number of people presently employed at the Project site and the number that will be employed at the Project site at the end of the first, second and third years after the Project has been completed (do not include construction workers).

TYPE OF EMPLOYMENT * Full Time means 30 hours or more per week

	Professional/ Managerial/ Technical	Skilled	Unskilled or Semi- Skilled	Totals
Present Full Time*	4	5	3	12
Present Part Time				
Present Seasonal				
PRESENT TOTAL	4	5	3	12
First Year Full Time*	4	6	4	14
First Year Part Time				
First Year Seasonal				
FIRST YEAR TOTAL	4	6	4	14
Second Year Full Time*	5	7	5	17
Second Year Part Time				
Second Year Seasonal				
SECOND YEAR TOTAL	5	7	5	17
Third Year Full Time*	7	8	7	22
Third Year Part Time				
Third Year Seasonal				
THIRD YEAR TOTAL	7	8	7	22

- Indicate the number of construction workers likely to be employed: 25
- Who is the General Contractor to be used for this Project: Jeff Schwartz
Peter Brown - Construction Manager
- What efforts will be made to hire local construction workers: Most workers should be local

b. Completion of Project

1. Will the completion of the Project, which is subject to this application, result in the removal of a commercial, industrial or manufacturing plant or facility of the Company (or any Sublessee) from one area of the State of New York to another area of the State of New York?

Yes _____ No X

If yes, is this Project reasonably necessary to preserve the competitive position of the Company (or any Sublessee) in its industry?

Yes _____ No _____ N/A

Is this Project reasonably necessary to discourage the Company (or any Sublessee) from removing such other plant or facility to a location outside the State of New York?

Yes _____ No _____ N/A

If yes to either of the preceding questions listed, please furnish details in a separate attachment.

2. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Company (or any Sublessee) located in the State of New York?

Yes _____ No X

If yes, is this Project reasonably necessary to preserve the competitive position of the Company (or any Sublessee) in its industry?

Yes _____ No _____ N/A

Is this Project reasonably necessary to discourage the Company (or any Sublessee) from removing such other plants or facilities to a location outside the State of New York?

Yes _____ No _____ N/A

If yes to either of the preceding questions listed, please furnish details in separate attachment.

V. PROJECT COST

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

DESCRIPTION OF LAND		
Land		Ø
Buildings		\$ 1,000,000
Machinery & Equipment	\$100,000 Used Pallet Racking \$10,000 Copying Machine	\$ 110,000
Utilities, Roads, & Appurtenant Cost		Ø
Architects & Engineering Fees		\$ 10,000
Cost of Bond Issue (Legal, Financial, & Printing)		\$ 10,000
Construction Loan Fees & Interest		\$ 10,000
Other (Specify)		

TOTAL PROJECT COST \$ 1,140,000

b. Has the applicant already made any of the preceding expenditures?

Yes _____ No X

If yes, indicate the particulars: _____

c. Amount of loan requested: N/A Dollars

Maturity requested: N/A Years

If the bonds requested are to be tax-exempt, please attach the commitment letter. N/A

d. Taxable _____ or Tax-Exempt _____ Industrial Development Revenue Bond Requested.

VI. ADDITIONAL INFORMATION REGARDING COMMERCIAL AND RECREATION PROJECTS: N/A

Complete this information if the Project, which is subject to this application, is a recreation project or a commercial project.

a. Is there a demonstrable need for the services to be provided by the Project?

Yes _____ No _____

If yes, please describe: N/A

b. Is there an extraordinary need for the services to be provided by the Project?

Yes _____ No _____

If yes, please describe: N/A

c. What impact will the Project have on existing employment in the Counties of Warren & Washington? N/A

d. Will the Project result in a substantial net addition of jobs in the area?

Yes _____ No _____

If yes, please describe: N/A

e. Will the Project have an adverse effect on facilities of a similar nature located in the area?

Yes _____ No _____

If yes, please describe: N/A

f. Will the Project give the applicant or the other users of the Project a competitive advantage over users of other facilities of similar nature located in the area?

Yes _____ No _____

If yes, please describe: N/A

g. Is the availability of tax-exempt industrial development revenue bond financing required to make the Project economically feasible or to hasten the initiation of the Project?

Yes _____ No _____

If yes, please describe: N/A

h. Is the Project compatible with existing zoning and other local laws, ordinances, rules and regulations?

Yes _____ No _____

If no, please describe: N/A

i. Does the Project by its location satisfy a demonstrable local need as evidence by its degree of integration with locally adopted development policies under and/or a request from the local legislative body for Project approval?

Yes _____ No _____

If yes, please describe: N/A

IN WITNESS WHEREOF, the Applicant has duly executed the Application this 12
day of September, 2012.

Jeffrey Schwartz
(Applicant)
By: Jeffrey Schwartz
(Signature)

NOTE: APPLICANT MUST COMPLETE THE APPROPRIATE VERIFICATION APPEARING ON PAGE 19 AND 20 HEREOF BEFORE A NOTARY PUBLIC AND MUST SIGN AND ACKNOWLEDGE THE HOLD HARMLESS AGREEMENT APPEARING ON PAGE 21.

VERIFICATION
(If Applicant is a Corporation)

STATE OF New York)
COUNTY OF Warren)

SS.:

Jeffrey Schwartz deposes and says that he/she is the President of Morris Products Inc., the corporation named in the attachment application; that he/she has read the foregoing application and knows the contents thereof; that the same is true and complete and accurate to the best of his/her 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/her own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as acquired by deponent in the course of his/her duties as an officer of and from the books and papers of said corporation.

By: Jeffrey Schwartz

Sworn to before me this 12 day of September 2012

SHERRY LYNN FISHER
Notary Public, State of New York
Warren County No. 0178921341
My Commission Expires 5/31/14

Sherry Lynn Fisher
Notary Public

VERIFICATION
(If Applicant is a Limited Liability Company)

STATE OF New York)
COUNTY OF Warren)

SS.:

Jeffrey Schwartz deposes and as that he/she is one of the members of the firm of The Patti Company LLC, the limited liability company named in the attached application; that he/she has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate which are not stated upon his/her 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/her duties as a member of and from the books and papers of said limited liability company.

By: Jeffrey Schwartz

Sworn to before me this 12 day of September 2012

SHERRY LYNN FISHER
Notary Public, State of New York
Warren County No. 0178921341
My Commission Expires 5/31/14

Sherry Lynn Fisher
Notary Public

NOTE: THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS THE FOLLOWING HOLD HARMLESS AGREEMENT IS SIGNED BY THE APPLICANT

HOLD HARMLESS AGREEMENT

Applicant hereby releases the Counties of Warren and Washington Industrial Development Agency and the members, officers, servants, agents and employees thereof (hereinafter collectively referred to as the "Agency") from liability and 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 the Agency with respect to (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, and (ii) the issue of bonds requested therein or the Project described therein, including without limiting the generality of the foregoing, all causes of action and attorney's fees and any other expenses incurred in defending any such 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 is 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, Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred by the Agency in the processing of the application, including attorney's fees, if any.

Applicant Jeffrey Schwartz

By: Jeffrey Schwartz

Sworn to before me this 12 day of September 2012

Sherry Lynn Fisher
Notary Public

ANNUAL REPORTING REQUIREMENTS

- I. The Counties of Warren and Washington Industrial Development Agency has established a reporting policy in addition to the requirements of Section 859 of the General Municipal Law and the Guidelines Applicable to Qualified Small Issue Bonds (Sec. 144 I.R.C.) established by the New York State Department of Economic Development.
 - II. Every developer seeking Agency financing shall be required to execute an agreement whereby they agree to complete and submit to the Agency an annual report within 45 days after the close of the Agency's fiscal year (1/1 to 12/31). The reports shall be in the form prescribed by the Agency, as amended from time to time.
 - III. The failure of a developer to complete and submit the required forms may result in cancellation of all tax benefits and the recapture by the Agency of all tax benefits previously received by the developer.
 - IV. Copies of the current report forms are attached hereto marked "Exhibit A, B, and C."
-

I have read the foregoing Reporting Requirements and agree to be bound thereby.

Date: 9/12/12

By: Jeffrey Schauf
(Applicant)

- * If applicant is a corporation, please give the title of the person signing.

NOTE: THIS FORM MUST BE EXECUTED AND SUBMITTED WITH APPLICATION

**NEW YORK STATE FINANCIAL REPORTING REQUIREMENTS
FOR INDUSTRIAL DEVELOPMENT AGENCIES**

The Laws of New York impose financial reporting requirements on all agencies in New York State. Of particular importance to agencies to transmit financial statements within 90 days following the end of an Agency's fiscal year (FY= 1/1-12/31), 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 (Counties of Warren and Washington). These audited financial statements shall include supplemental schedules listing the following information:

1. All bonds and notes issued, outstanding or retired during the period and whether or not they are obligations of the Agency.
2. All new bond issues and straight lease, the following information is required:
 - a. Name of Project
 - b. Name and address of each owner of the Project
 - c. The amount of tax exemptions granted for each Project
 - d. Purpose of the bond or lease
 - e. Bond interest rate at issuance and, if variable, the range of interest rates applicable
 - f. Bond maturity date
 - g. Federal tax status of the bond issue
 - h. Estimate of jobs created and/or retained

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

Date: 9/12/12

By: Jeffrey Schwartz
(Applicant)*

* If applicant is a corporation, please give the title of the person signing

NOTE: THIS FORM MUST BE EXECUTED AND SUBMITTED WITH APPLIATION

EXHIBIT A

Counties of Warren and Washington Industrial Development Agency
5 Warren Street, Glens Falls, New York 12801

To: _____

From: WWIDA Office Administrator

Date: _____

Re: Annual Report to Counties of Warren and Washington
Industrial Development Agency

Enclosed is a form for your use in preparing your annual report to the Counties of Warren and Washington Industrial Development Agency for the fiscal year ending 12/31/_____.

Included is a copy of the Employment Impact portion of your original application to his Agency.

We have also provided space for any comments on employment projections which you may be able to work with.

Please complete this form as soon as possible and return it to my attention within 45 days.

EXHIBIT B

Counties of Warren and Washington Industrial Development Agency
5 Warren Street, Glens Falls, New York 12801

EMPLOYMENT SURVEY AND COST BENEFIT REPORT

COMPANY NAME: _____

PROJECT NAME: _____

Information for the Fiscal Year Ending: 12/31/

EMPLOYMENT

1. Full – Time Equivalent (FTE) Jobs Created and Retained
[1 FTE Job = 30 or more hours per week]
- a.) FTE employees at Project location prior to IDA status: _____
 - b.) Original estimate of total FTE jobs to be created: _____
 - c.) Original estimate of total FTE jobs to be retained: _____
 - d.) Number of current FTE employees: _____
 - e.) Number of FTE jobs created during current fiscal year: _____
 - f.) Number of FTE jobs retained during current fiscal year: _____
2. FTE Construction Jobs
Number of FTE construction jobs created during current fiscal year: _____

COST BENEFIT

3. Payment in Lieu of Taxes (PILOT) and Assessments Paid
- a.) Total Annual PILOT Payments: _____
 - PILOT paid to County: _____
 - PILOT paid to City/Town/Village: _____
 - PILOT paid to School: _____
 - b.) Sewer & Water Rents: _____
 - c.) Special Assessments Paid: _____
4. Taxes saved due to IDA status: During Fiscal Year Ended 12/31/____
- a.) Sales tax savings: _____
 - b.) Mortgage tax savings: _____
 - c.) Real Property tax savings: _____
- Total tax savings to company: _____**

FINANCIAL

5. Company's Financial Data (Current Fiscal Year)

- a.) Total annual payroll: _____
- b.) Total NYS income tax paid: _____
- c.) Total sales tax collected and paid: _____

Office Buildings and Shopping Centers

(In addition to items 1 through 5)

6. Names of All Tenants: _____

7. Gross Annual Rent: _____

8. Percent of Occupancy: _____

9. Information from Each Tenant – See Attached Sheet

10. Are the employees of your firm currently covered by a collective bargaining agreement?

Yes _____ No _____

If yes, Name and Local: _____

Prepared by: _____

Title: _____

Signature: _____

Date: _____

EXHIBIT C

Counties of Warren and Washington Industrial Development Agency
5 Warren Street, Glens Falls, New York 12801

TENANT INFORMATION SHEET *

1. Tenant's Name: _____
2. Total Number of Full Time (FTE) Employees: _____
3. Total Number of Part Time Employees: _____
4. Total Annual Payroll: _____
5. Total New York State Income Tax Paid: _____
6. Total Sales Tax Collected and Paid: _____

Prepared by: _____
Title: _____
Signature: _____
Date: _____

* Landlord is required to complete (or have completed) and submit a report for each tenant.