
Joint Application Submitted

By

117 Foote Avenue LLC and Southern Tier Management Services LLC

INDUSTRIAL REVENUE BONDS

AND

TAX LEASE PROGRAM

APPLICATION

for assistance through

the

**County of Chautauqua
Industrial Development Agency**

**County of Chautauqua Industrial Development Agency
200 Harrison Street
Jamestown, New York 14701**

Phone: 716-664-3262

Fax: 716-664-4515

117 Foote Avenue LLC

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Jamestown, New York 14701**

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**Application for Financial Assistance
through the
County of Chautauqua
Industrial Development Agency**

The information listed on this form is necessary to determine the eligibility of the project applicant. Please fill in all blanks, using "NONE" or "NOT APPLICABLE" where necessary. If an estimate is given, put "EST" after the figure. Attach additional sheets if necessary. All information completed with this form will be treated confidentially. This application is only for the purpose of determining whether the applicant is eligible for consideration by the Board of Directors of the County of Chautauqua Industrial Development Agency. Return eight (8) copies of this application to the County of Chautauqua Industrial Development Agency at the address listed on the cover of this document.

PART 1

A. APPLICANT

Federal ID # 113349614

Company Name: 117 Foote Avenue LLC (affiliate of Krog Real Estate and Southern Tier Management Services LLC)

Office Address: c/o The Krog Corp. 4Centre Drive, Orchard Park, New York 14127

Telephone: 716-667-1234

Company officer completing this application:

Name: Paul R. Neureuter

Title: President (The Krog Corp.)

1. Number of locations of present business facilities:

- a. County of Chautauqua: One
- b. New York State: One
- c. Outside New York State: None

2. Business Organization (check appropriate categories):

Corporation Partnership

Sole Proprietorship Subchapter S

Other (Specify) Limited Liability Corporation

3. Is business publicly or privately held? Public Private

4. List principal stockholders and percentage of ownership if applicable:

<u>Name</u>	<u>Percentage</u>	<u>Home Address</u>
Peter L. Krog	100	Orchard Park, NY

5. Is the business a subsidiary of, or affiliated directly or indirectly with any other organization? Yes No If "Yes" indicate relationship and name and address of the related organization(s) on a separate sheet.

6. Complete the following information:

<u>Officers</u>	<u>Name</u>	<u>Address</u>	<u>Social Security Number</u>	<u>Other Principal Business Affiliations</u>
President	Peter L. Krog	Orchard Park, NY		The Krog Corp. PLK Real Estate

B. References (these will be contacted):

1. Banking (List names of banks, account officers address and telephone number):
M & T Bank
Attn: Michael Murak or Susan Freed-Oestreicher
One M & T Plaza, Buffalo New York 14203 (716) 848-3164
2. Business Suppliers (List three largest accounts – names, addresses, telephone numbers, and list suppliers' terms of sale):
Sherwin Williams 2578 Walden Ave. Buffalo NY (716) 685-1444
Grosjean 1499 Niagara Street Buffalo NY (716) 884-4000
Gypsum Services 675 Duke Avenue Buffalo NY (716) 681-3285
3. Major customers (List three largest – names, addresses, telephone numbers, and show percentage (%) of gross business obtained from each):
Hope Lake Investors LLC, Mr. Al Kryger, 2000 NYS Rt. 392, Cortland, NY 13045 (607) 835-6300
API Heat Transfer, Mr. Ed Smouce, 2777 Walden Ave., Buffalo, NY 14225 (716) 684-6700
Corning, Inc., Mr. Thomas Tranter, One Riverwalk Center, Corning, NY 14831 (607) 974-8540
4. What are your terms of sale?
N/A
5. Current Landlord (List name, address and telephone number):
N/A
6. Legal Counsel (List name, address and telephone number):
Gross Shuman Brizdle & Gilfillan
Attn: Peter Gilfillan
465 Main Street, Suite 600
Buffalo New York 14203
(716) 854-4300

Phillips Lytle LLP
Attn: Greg Peterson
Jamestown NY
(7167) 483-5273

C. Business Description

1. Describe type of business:
Construction Contractor/Developer
2. Describe the principal products and services:
Real estate development, construction and property management
3. Describe the market(s) served:
Jamestown, New York; Western New York; Central New York

D. Present Location

1. If you rent:
 - a. What is the present annual rent (state whether firm has a gross or net lease):
N/A
 - b. When does the lease expire? N/A
2. If you own:
 - a. What is the current annual mortgage payment? \$25,000/year
 - b. When does the mortgage terminate? March, 2009
3. Describe present location (include square footage, number of buildings, number of floors, etc.)
24,834 square feet, single building, 3 floors
4. List the current annual taxes by respective taxing jurisdictions:
 - a. Building(s): \$1100/year
 - b. Land: \$3400/year

E. Previous Financial Activities

1. What were your company's estimated capital expenditures in Chautauqua County, New York, during the past three (3) years? (Specify by place, year and amount.)
117 Foote Avenue - \$45,000 building envelope upgrades, 2008
(Related entities:
201 West Third Street - \$4,200,000; construct new 48,000 sf office building; 2008
Riverwalk - \$850,000; tenant improvements; 2008
Riverwak - \$10,200,000; shell and tenant improvements; 2006 - 2008)
2. Has your company ever been a recipient of funds obtained through tax-exempt or taxable bonds? Yes No If "Yes" give details below:
3. Describe your company's effort to secure assistance or financing in the County of Chautauqua, or any other area, on a separate sheet.
(see attached)

F. Types of Financial Assistance Requested
(Cross out those which are not applicable.)

1. ~~Industrial Development Revenue Bonds~~
 - ~~A. Tax Exempt~~
 - ~~B. Taxable~~
- ~~2. Tax Lease~~
- ~~3. Other loan(s). Describe: _____~~
4. Other:
 - a. PILOT for real property tax (note two approaches)
 - a.1 Based upon Empire Zone Certification, applicant requests PILOT for years eleven (11) through twenty (20).
 - a.2 In the event Empire Zone Certification is not achieved, applicant requests PILOT for years one (1) through twenty (20).
 - b. Mortgage Tax Abatement
 - c. Sales Tax Abatement

Part 2

A. Describe the Project

(Include a general, functional description and prospective location.)

117 Foote Avenue LLC is the owner of property located at 117 Foote Avenue, Jamestown New York. The property is approximately two acres and includes an existing three story masonry and steel building of roughly 24,834 gross square feet. The building was originally used by a manufacturer of furniture hardware, but has been vacant and unused for several years.

The project involves renovating and expanding the existing building to accommodate an expanding Jamestown area medical practice. The first floor of the building will include 7500 square feet of renovated medical office space, an approximately 5000 square foot addition including medical exam and treatment space and an approximately 1700 square foot addition for medical treatment. The second floor will house approximately 2500 square feet of medical support space. The remainder of the building will be completed in the future with additional medical and other compatible uses anticipated.

The exterior of the building today is somewhat unsightly. The plans include restoration of brick masonry, replacement of windows and installation of a prominent cornice that will greatly enhance the building's image and help to create a visual connection with the newly renovated buildings in the Brooklyn Square area of Jamestown.

The site will be improved with new landscaping, sidewalks, and paving.

B. Reasons for Project

1. Briefly describe the reasons why this project is necessary and what effect it will have on your business:

117 Foote Avenue LLC acquired the building for the purpose of adapting an existing under-utilized existing building into a productive property. The City of Jamestown is hampered by numerous vacant former industrial and manufacturing projects. Our company has extensive experience determining viable and productive new uses for these structures, thus improving the overall aesthetics of the community while creating space for new job creation and economic growth.

Given the properties close proximity to the health-services district of Jamestown, we deemed the highest and best use of the building to be a state-of-the-art medical facility.

Investment in the property and its extensive renovation will provide a virtually new building where today only a blighted neighborhood exists.

Inducements from the IDA are imperative to the success of the Project. The IDA's inducements will also leverage the already approved Restore NY Grant, further demonstrating the City of Jamestown's ability to successful utilize these State grant funds for the betterment of the area. Without the inducement, it is unlikely that the Project can proceed and the City will have failed in its plans under the Restore NY Grant, jeopardizing future potential applications they may consider.

The eventual user, Southern Tier Management Services LLC, will bring medical services not currently available to the community. Today, the specialty medical services require patients to travel to Buffalo or Erie. The new facility will serve to provide these services on a unified medical campus.

The new services result in new well compensated jobs.

2. If your business is unable to arrange suitable financing for this project, what will be the impact on your company and the County of Chautauqua? Would your company proceed with the project without Agency assistance and / or financing? Describe in detail:

Without inducements in the form of PILOT, mortgage tax and sales tax abatements, the Project will not proceed. The results of this will include: (1) inability to return a vacant building to productive use, (2) failure by City of Jamestown to make effective use of the Restore NY Grant, (3) failure to provide new advanced medical services to the community, and (4) failure to provide new job creation.

C. Type of Project

1. Check category which best describes your project:

- | | |
|--|--|
| <input type="checkbox"/> Manufacturing | <input type="checkbox"/> Warehousing |
| <input type="checkbox"/> Industrial Assembly | <input type="checkbox"/> Pollution Control |
| <input type="checkbox"/> Research | <input checked="" type="checkbox"/> Other (Specify)
Medical |

2. If pollution control, check appropriate items below:

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Air | <input type="checkbox"/> Noise |
| <input type="checkbox"/> Water | <input type="checkbox"/> Solid Waste |
| <input type="checkbox"/> Air/Water | <input type="checkbox"/> Other (Specify)
N/A |

D. Proposed Location

1. Does the project consist of (check appropriate categories):

- | | | |
|--|---|--|
| a. Construction of a new building | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| b. Renovations to an existing building | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| c. Construction of an addition to an existing building | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| d. Acquisition of an existing building | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

Note that 117 Foote Avenue LLC will renovate and expand the existing building. Upon completion of construction, the improved property will be acquired by Southern Tier Management Services LLC.

If the Company is to acquire an existing plant, attach a photograph and indicate if it is in operation, about to be abandoned or abandoned. If in operation, describe present products.

List costs or orders made by Company for the project, at the date of this application, on a separate sheet.

2. Describe the proposed location(s) of this project, including square footage, number of floors, address, etc. (If new construction is involved or expansion of existing plant, attach proposed floor plan):

The property is located at 117 Foote Avenue, Jamestown New York. The existing building is 24,834 square feet on three floors. Two additions will be constructed totaling 6953 square feet.

3. List the present owner of the project site and the owner's name, address, and phone number. (If currently owned by the applicant, indicate date of purchase, reason for purchase and current use of the site):

117 Foote Avenue LLC; acquired in 2005 for the purpose of investment and redevelopment; the building is currently vacant.

4. Does the project site currently have existing occupant(s)?
 Yes No

If "Yes", list all lessees, the amount of space occupied by each, and the date of termination of such leases on a separate sheet.

5. Is there a relationship legally or by virtue of common control between the applicant or present owner?
 Yes No

If "Yes", provide details on a separate sheet.

6. Does the Company have an option to purchase the project site or has a contract of sale been executed for such purchase? (If so, attach particulars.)
 Yes No

7. Has the Company placed any purchase orders or entered into any other agreements or contracts with respect to proposed project costs? (If so, attach particulars.)
 Yes No

E. Location Maintenance Costs

1. What are the real estate taxes on the land and the building? (If current rate is not available, give assessed value for each and so state.)

Land \$3400/year

Building \$1100/year

2. What is the estimated useful life of the:
- a. Facility 50 years
 - b. Equipment N/A

3. Is proposed Project site served by:

- a. Transportation Rail Truck Air
 Water
- b. Utilities Sewer Water Gas
 Electric Power

F. Employment

1. Employment at present time, if Company is now in existence within Chautauqua County, and an estimate of such employment at the proposed location at the end of one and two years:

	<u>Present</u>	<u>First Year</u>	<u>Second Year</u>
Full Time	- 0 -	See Southern Tier Management (attached)	
Part Time*	- 0 -	See Southern Tier Management (attached)	
Seasonal*	- 0 -	See Southern Tier Management (attached)	

*Estimate percent that total part time or seasonal working time bears to total annual full working time: See Southern Tier Management (attached)

Total See Southern Tier Management (attached)

2. Estimate the annual payroll:

At present \$ - 0 -

In one year \$ - 0 - (The project will create an estimated forty-five (45) construction jobs, with estimated payroll and benefits of \$2,390,000.)

G. Project Costs

1. List the costs necessary for the construction, acquisition or renovation of the project. (The project costs should **not** include working capital needs or moving expenses.)

<u>Description</u>	<u>Amount</u>
Land	\$ 635,000
Building(s)	\$ included above
Renovation	\$ 4,505,000
Machinery and Equipment (Do not include furniture costs)	\$ See Western NY Urology separate application

Installation \$ See Western NY Urology separate application

(G. Continued)

Fees (Do <u>not</u> include your own counsel fees)	\$
Architectural Fees	\$ included in renovation
Financial Charges (specify) capitalized interest bank fees professional services insurance	\$395,000
Other (specify)	\$
Subtotal	\$ 5,535,000
Agency Administrative Fee	\$
<u>Total Project Cost</u>	\$ 5,535,000

2. What is the amount of funds and term requested for financing through the County of Chautauqua Industrial Development Agency?

\$ N/A Years N/A

H. Project Schedule

1. Indicate the estimated days for:
 - a. Financing of the project 30 days
 - b. Commence of construction (immediately upon approval of inducements)
 - c. Completion of construction 210 days
2. List the date(s) and in what amount(s) the estimated funds will be required:
N/A

I. Other Agency Involvement

1. Have you contacted any other governmental agency in reference to this project?
 Yes No

If "Yes", please indicate the agency and the nature of the inquiry below:

City of Jamestown - Restore NY Grant and Empire Zone Certification

Empire State Development - Restore NY Grant and Empire Zone Certification

2. Have you contacted any financing institutions or other industrial development agencies in New York State, or elsewhere, for financial assistance in reference to this project or one of a similar nature?
 Yes No

If "Yes", please indicate below the institution and / or agency and the present status of the inquiry:

M & T Bank

First Niagara Bank

J. Financial Information (attach the following)

1. Certified financial statements for the last three (3) fiscal years. N/A

For Industrial Development Bonds (IDB) complete Questions 2, 3 & 4.

2. Pro forma sheet as at start of operations at project site.
3. Project profit and loss statements for first two (2) years of operation at projected site.
4. Projected "cash flow" statement, by quarters, for first year of operation at project site.

Certification

Peter L. Krog

(Name of chief executive officer of company submitting application)

deposed and says that he/she is the Chief Executive Officer
(Title)

of 117 Foote Avenue LLC, the corporation named in attached application;
(Company name)

that he has read the foregoing application and attachments and knows the contents thereof; that the same is true to his knowledge, contains no information or data that is false or incorrect and is truly descriptive of the project which is intended as security for the requested financing.

Deponent further says the reason for this verification is made by the deponent and not by 117 Foote Avenue LLC
(Company name)

is because the said company is a corporation. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge, are investigations which deponent has caused to be made concerning the subject matter of this application as well as information required by deponent in the course of his duties as an officer of and from the books and papers of said corporation.

As an officer of said corporation (hereinafter referred to as the "applicant") deponent acknowledges and agrees that applicant shall be and is responsible for all costs incurred by the non-profit County of Chautauqua Industrial Development Agency (hereinafter referred to as the "Agency") acting in connection with the attendant negotiations and ultimately the closing of the project and (or) financing. 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 invoice, applicant shall pay to the Agency, its agents or assigns all actual costs involved in conduct of the application and the drafting of documents up to that date and time, including fees of counsel for the Agency.

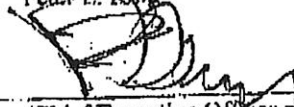
From: KROG

02/13/2009 09:42


#714 P.003/003

The costs incurred by the Agency and paid by the applicant, including the Agency's counsel's fees and the administrative fee, may be considered as a cost of the project and included as part of any resultant bond issue, subject to the limitations imposed by law.

Peter L. Krog



(Chief Executive Officer of company submitting application)

Notary 

Sworn to before me this

13th day of February, 2009

TINA CROOM
Notary Public, State of New York
Qualified in Erie County
My Commission Expires 12/07/2010

(Seal)

TO: Project Applicants
FROM: County of Chautauqua Industrial Development Agency
RE: Cost/Benefit Analysis Questionnaire

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

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

PROJECT QUESTIONNAIRE

1. Name of Project Beneficiary ("Company"): 117 Foote Avenue LLC and Southern Tier Management Services LLC
2. Brief Identification of the Project: Renovations and additions to 117 Foote Avenue, Jamestown NY
3. Estimated Amount of Project Benefits Sought:
 - A. Amount of Bonds Sought: \$ - 0 -
 - B. Value of Sales Tax Exemption Sought \$75,000
 - C. Value of Real Property Tax Exemption Sought See page 22
 - D. Value of Mortgage Recording Tax Exemption Sought \$60,000 (est)

PROJECTED PROJECT INVESTMENT

- A. Land-Related Costs
 1. Land acquisition \$635,000
 2. Site preparation \$96,000
 3. Landscaping \$29,000

4. Utilities and infrastructure development	\$105,000
5. Access roads and parking development	\$111,000
6. Other land-related costs (describe)	\$ - 0 -
B. Building-Related Costs	
1. Acquisition of existing structures	Included w/ land
2. Renovation of existing structures	\$1,083,000
3. New construction costs	\$1,433,000
4. Electrical systems	\$748,000
5. Heating, ventilation and air conditioning	\$379,000
6. Plumbing	\$361,000
7. Other building-related costs (describe)	\$ - 0 -
C. Machinery and Equipment Costs	
1. Production and process equipment	See Western NY Urology separate application
2. Packaging equipment	See Western NY Urology separate application
3. Warehousing equipment	See Western NY Urology separate application
4. Installation costs for various equipment	See Western NY Urology separate application
5. Other equipment-related costs (describe)	See Western NY Urology separate application
D. Furniture and Fixture Costs	
1. Office furniture	See Western NY Urology separate application
2. Office equipment	See Western NY Urology separate application
3. Computers	See Western NY Urology separate application
4. Other furniture-related costs (describe)	See Western NY Urology separate application

E. Working Capital Costs	
1. Operation costs	See Western NY Urology separate application
2. Production costs	See Western NY Urology separate application
3. Raw materials	See Western NY Urology separate application
4. Debt service	See Western NY Urology separate application
5. Relocation costs	See Western NY Urology separate application
6. Skills training	See Western NY Urology separate application
7. Other working capital-related costs (describe)	See Western NY Urology separate application
F. Professional Service Costs	
1. Architecture and engineering	\$160,000
2. Accounting/legal	\$30,000
3. Other service-related costs (describe)	
G. Other Costs	\$365,000
1. Capitalized interest	Included above
2. Bank fees	Included above
3. Legal and professional	Included above
4. Insurance	Included above
H. Summary of Expenditures	
1. Total Land Related Costs	\$976,000
2. Total Building Related Costs	\$4,004,000
3. Total Machinery and Equipment Costs	\$ - 0 -
4. Total Furniture and Fixture Costs	\$ - 0 -
5. Total Working Capital Costs	See Western NY Urology separate application
6. Total Professional Service Costs	\$190,000
7. Total Other Costs	\$365,000

PROJECTED CONSTRUCTION EMPLOYMENT IMPACT

I. Please provide estimates of total construction jobs at the Project:

Year	Construction Jobs (Annual wages and benefits \$40,000 and under)	Construction Jobs (Annual wages and benefits over \$40,000)
Current Year		45 jobs
Year 1		
Year 2		
Year 3		
Year 4		
Year 5		

II. Please provide estimates of total annual wages and benefits of total construction jobs at the Project: \$2,390,000

Year	Total Annual Wages and Benefits	Estimated Additional NYS Income Tax
Current Year	\$2,390,000	\$100,000
Year 1	\$ _____	\$ _____
Year 2	\$ _____	\$ _____
Year 3	\$ _____	\$ _____
Year 4	\$ _____	\$ _____
Year 5	\$ _____	\$ _____

PROJECTED PERMANENT EMPLOYMENT IMPACT

I. Please provide estimates of total existing permanent jobs to be preserved or retained as a result of the Project:

Year	Existing Jobs (Annual wages and benefits \$40,000 and under)	Existing Jobs (Annual wages and benefits over \$40,000)
Current Year	See Western NY Urology (separate application)	See Western NY Urology (separate application)
Year 1	See Western NY Urology (separate application)	See Western NY Urology (separate application)
Year 2	See Western NY Urology (separate application)	See Western NY Urology (separate application)
Year 3	See Western NY Urology (separate application)	See Western NY Urology (separate application)
Year 4	See Western NY Urology (separate application)	See Western NY Urology (separate application)
Year 5	See Western NY Urology (separate application)	See Western NY Urology (separate application)

II. Please provide estimates of total new permanent jobs to be created at the Project:

Year	New Jobs (Annual wages and benefits \$40,000 and under)	New Jobs (Annual wages and benefits over \$40,000)
Current Year	See Western NY Urology (separate application)	See Western NY Urology (separate application)
Year 1	See Western NY Urology (separate application)	See Western NY Urology (separate application)
Year 2	See Western NY Urology (separate application)	See Western NY Urology (separate application)
Year 3	See Western NY Urology (separate application)	See Western NY Urology (separate application)
Year 4	See Western NY Urology (separate application)	See Western NY Urology (separate application)
Year 5	See Western NY Urology (separate application)	See Western NY Urology (separate application)

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

Year	Total Annual Wages and Benefits	Estimated Additional NYS Income Tax
Current Year	\$ _____	\$ _____
Year 1	\$ _____	\$ _____
Year 2	\$ _____	\$ _____
Year 3	\$ _____	\$ _____
Year 4	\$ _____	\$ _____
Year 5	\$ _____	\$ _____

- IV. Please provide estimates for the following:

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

PROJECTED OPERATING IMPACT

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

Additional Purchases (1 st year following project completion)	See Western NY Urology (separate application)
Additional Sales Tax Paid on Additional Purchases	See Western NY Urology (separate application)
Estimated Additional Sales (1 st full year following project completion)	See Western NY Urology (separate application)
Estimated Additional Sales Tax to be collected on additional sales (1 st full year following project completion)	See Western NY Urology (separate application)

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

Year	Existing Real Property Taxes	New Pilot Payments	Total
Current Year	\$4500	(2)	
Year 1	\$126,500 (1)		
Year 2	\$126,500 (1)		
Year 3	\$126,500 (1)		
Year 4	\$126,500 (1)		
Year 5	\$126,500 (1)		
Year 6	\$126,500 (1)		
Year 7	\$126,500 (1)		
Year 8	\$126,500 (1)		
Year 9	\$126,500 (1)		
Year 10	\$126,500 (1)		

(1) Estimated real property taxes post renovation/expansion.

(2) PILOT payments would begin in year 11 if Empire Zone Certification is granted. If Empire Zone Certification is denied, PILOT payments would begin in year one. In either scenario, property tax revenue is substantially improved by comparison with current real property taxes.

III. Please provide estimates for the impact of other economic benefits expected to be produced as a result of the Project: See Southern Tier Management Services LLC and Western New York Urology (separate application).

CERTIFICATION

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

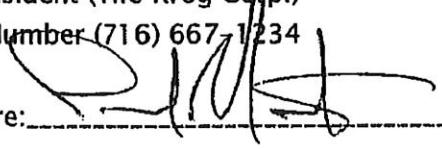
I understand that the foregoing information and attached documentation will be relied upon, and constitute inducement for, the Agency in providing financial assistance to the Project. I certify that I am familiar with the Project and am authorized by the Company to provide the foregoing information,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

Date Signed: February 13, 2009.

Name of Person Completing Project
Questionnaire on behalf of the Company.

Name: Paul R. Neureuter
Title: President (The Krog Corp.)
Phone Number (716) 667-1234

Signature: _____



Should you need additional space, please attach a separate sheet.

**Chautauqua County Industrial Development Agency
Joint Application by 117 Foote Avenue LLC and Southern Tier Management Services, LLC**

**Attachment to Application
February 13, 2009**

Part 1 Item E.3

Describe your company's effort to secure assistance or financing in the County of Chautauqua, or any other area, on a separate sheet.

117 Foote Avenue LLC has proposed to redevelop its existing property, converting a vacant three-story former manufacturing facility into first-class medical office space. 117 Foote Avenue LLC plans to design the improvements, renovate and expand the building, then transfer the improved property to Southern Tier Management. 117 Foote Avenue LLC and Southern Tier Management sought three critical complementary funding components in order to make the project feasible: (1) Restore New York grant, (2) Empire Zone Certification, and (3) Chautauqua County Industrial Development Agency inducements including a PILOT, sales tax exemption and mortgage tax exemption.

Part 2 Item D.5

Is there a relationship legally or by virtue of common control between the applicant or present owner?

and

Part 2 Item D.6

Does the Company have an option to purchase the project site or has a contract of sale been executed for such purchase?

The current owner of the property, 117 Foote Avenue LLC, is also the applicant. The co-applicant is Southern Tier Management Services LLC. Contingent upon approval of requested assistance, 117 Foote Avenue LLC has entered into an agreement to sell the improved property to Southern Tier Management Services LLC.

Part 2 Item D.7

Has the Company placed any purchase orders or entered into any other agreements or contracts with respect to proposed project costs?