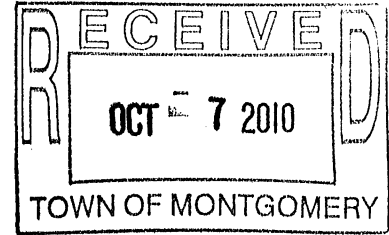


SPRUCE PROPERTIES, LLC  
101 BRACKEN ROAD  
MONTGOMERY, NY 12549



By Hand

October 6, 2010

Town of Montgomery Industrial Development Agency  
Town of Montgomery Government Center  
110 Bracken Road  
Montgomery, NY 12549

Attn: Mike Hayes

Re: Town of Montgomery IDA Application

Dear Mike:

As a follow-up to my e-mail of today and based on my conversation with Ed Devitt, I enclose herewith the following:

1. Application for IDA leaseback in duplicate.
2. Our application fee in the amount of \$500.00.
3. The long form environmental assessment form in duplicate.

As I indicated in the e-mail, we look forward to working with Town of Montgomery IDA with our "spec" project.

Thank you for your continued help.

Very truly yours,

A handwritten signature in cursive script that reads "Pete".

---

Peter J. Bullis

PJB:rh  
Enclosures

**TOWN OF MONTGOMERY INDUSTRIAL DEVELOPMENT AGENCY**

**APPLICATION FOR SALE/LEASE/LEASEBACK TRANSACTION**

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

TO: TOWN OF MONTGOMERY INDUSTRIAL DEVELOPMENT AGENCY  
Town of Montgomery Government Center  
110 Bracken Road  
Montgomery, NY 12549  
Attention: Alice Dickinson, Chairperson

This application by applicant respectfully states:

APPLICANT: Spruce Properties, LLC  
APPLICANT'S STREET ADDRESS: 101 Bracken Road  
CITY: Montgomery, STATE: New York PHONE NO.: (845) 457-1100  
E-MAIL: pbullis@nhcpas.com FAX NO.: (845) 457-1160

NAME OF PERSON(S) AUTHORIZED TO SPEAK FOR APPLICANT WITH RESPECT TO THIS APPLICATION: Peter J. Bullis, Norman M. Sassi, & Randy E. Bullis

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

NAME OF FIRM: \_\_\_\_\_  
NAME OF ATTORNEY: \_\_\_\_\_  
ATTORNEY'S STREET ADDRESS: \_\_\_\_\_  
CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ PHONE NO.: \_\_\_\_\_  
E-MAIL: \_\_\_\_\_ FAX NO.: \_\_\_\_\_

-----  
**NOTE: PLEASE READ THE INSTRUCTIONS ON PAGE 2 BEFORE FILLING OUT THIS 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 an action.
2. Fill in all blanks, using "none" or "not applicable" or "N/A" where the question is not appropriate to the project which is the subject of this application (the "Project").
3. If an estimate is given as the answer to a question, put "(est)" after the figure or answer which is estimated.
4. If more space is needed to answer any specific question, attach a separate sheet.
5. When completed, return two (2) copies of this application to the Agency at the address indicated on the first page of this application.
6. The Agency will not give final approval to this application until the Agency receives a completed environmental assessment form concerning the Project which is the subject of this application.
7. Please note that Article 6 of the Public Officers Law declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the applicant feels that there are elements of the Project which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the applicant's competitive position, the applicant may identify such elements in writing and request that such elements be kept confidential in accordance with Article 6 of the Public Officers Law.
8. The applicant will be required to pay to the Agency all actual costs incurred in connection with this application and the Project contemplated herein. The applicant will also be expected to pay all costs incurred by general counsel and special counsel to the Agency.
9. The Agency has established an application fee of Five Hundred Dollars (\$500) to cover the anticipated costs of the Agency in processing this application. A check or money order made payable to the Agency must accompany each application. THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS ACCOMPANIED BY THE APPLICATION FEE.
10. The Agency has established a project fee for each project in which the Agency participates. UNLESS THE AGENCY AGREES IN WRITING TO THE CONTRARY, THIS PROJECT FEE IS REQUIRED TO BE PAID BY THE APPLICANT AT OR PRIOR TO THE GRANTING OF ANY FINANCIAL ASSISTANCE BY THE AGENCY.

FOR AGENCY USE ONLY

1.	Project Number	
2.	Date application received by Agency	, 20
3.	Date application referred to attorney for review	, 20
4.	Date copy of application mailed to members	, 20
5.	Date notice of Agency meeting on application posted	, 20
6.	Date notice of Agency meeting on application mailed	, 20
7.	Date of Agency meeting on application	, 20
8.	Date notice of public hearing on application posted	, 20
9.	Date notice of public hearing on application mailed	, 20
10.	Date notice of public hearing on application published	, 20
11.	Date public hearing conducted	, 20
12.	Date Environmental Assessment Form ("EAF") received	, 20
13.	Date Agency completed environmental review	, 20
14.	Date of final approval of application	, 20

**I. INFORMATION CONCERNING THE PROPOSED OCCUPANT OF THE PROJECT (HEREINAFTER, THE "COMPANY").**

**A. Identity of Company:**

1. Company Name: Spruce Properties, LLC  
 Present Address: 101 Bracken Road, Montgomery, New York  
 Zip Code: 12549  
 Employer's ID No.: 27-1059808
  
2. If the Company differs from the Applicant, give details of relationship: N/A
  
3. Indicate type of business organization of Company:
  - a.  Corporation. If so, incorporated in what country? \_\_\_\_\_; What State? \_\_\_\_\_; Date Incorporated \_\_\_\_\_; Type of Corporation? \_\_\_\_\_; Authorized to do business in New York? Yes \_\_\_; No \_\_\_.
  - b.  Partnership. If so, indicate type of partnership \_\_\_\_\_; Number of general partners \_\_\_\_\_; Number of limited partners \_\_\_\_\_.
  - c.  Limited Liability Company. If so, indicate type of company Real Estate; Number of members 3.
  - d.  Sole proprietorship.
  
4. Is the Company a subsidiary or direct or indirect affiliate of any other organization(s)? If so, indicate name of related organization(s) and relationship:  
 \_\_\_\_\_

**B. Management of Company:**

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

NAME AND HOME ADDRESS	OFFICE HELD	OTHER PRINCIPAL BUSINESS
Peter J. Bullis 6 Willow Lane Montgomery, NY 12549	Member/Manager	C.P.A.
Norman M. Sassi 4 Cara Court Goshen, NY 10924	Member/Manager	C.P.A.
Randy E. Bullis 9401 Avenel Lane Port St. Lucie, FL 34986	Member/Manager	Retired

2. Is the Company or management of the Company now a plaintiff or a defendant in any civil or criminal litigation? Yes \_\_\_; No x.
3. Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation)? Yes \_\_\_; No x.
4. Has any person listed above or any concern with whom such person has been connected ever been in receivership or been adjudicated a bankrupt? Yes \_\_\_; No x.
5. If the answer to any of questions 2 through 4 is yes, please, furnish details in a separate attachment.

C. Principal owners of Company:

1. Is Company publicly held? Yes \_\_\_; No x. If yes, please list exchanges where stock traded:
2. If no, list all stockholders having a 5% or more interest in the Company:

NAME	ADDRESS	PERCENTAGE OF HOLDING
Peter J. Bullis	6 Willow Lane Montgomery, NY 12549	33 1/3
Norman M. Sassi	4 Cara Court Goshen, NY 10924	33 1/3
Randy E. Bullis	9401 Avenel Lane Port St. Lucie, FL 34986	33 1/3

D. Company's principal bank(s) of account: Walden Savings Bank

---



---

**II. DATA REGARDING PROPOSED PROJECT.**

A. Description of the Project: (Please provide a brief narrative description of the Project.): \_\_\_\_\_  
Professional Office Building

---



---

B. Location of the Project:

1. Street Address: St. Rte. 208 (Es)
2. City of N/A
3. Town of Montgomery
4. Village of N/A
5. County of Orange

6. School District Valley Central  
 7. Tax Map Number \_\_\_\_\_

C. Description of the Project site:

1. Approximate size (in acres or square feet) of the Project site: 3.8. Is a map, survey or sketch of the Project site attached? Yes \_\_\_; No X.
2. Are there existing buildings on the Project site? Yes \_\_\_; No X.
- a. If yes, indicate the number of buildings on the site: \_\_\_\_\_. Also, please briefly identify each existing building and indicate the approximate size (in square feet) of each such existing building: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
- b. Are the existing buildings in operation? Yes \_\_\_; No \_\_\_. If yes, describe present use of present buildings: \_\_\_\_\_ N/A  
 \_\_\_\_\_  
 \_\_\_\_\_
- c. Are the existing buildings abandoned? Yes \_\_\_; No \_\_\_. About to be abandoned? Yes \_\_\_; No \_\_\_. If yes, describe: \_\_\_\_\_ N/A  
 \_\_\_\_\_  
 \_\_\_\_\_
- d. Attach photograph of present buildings. N/A

3. Utilities serving the Project site:

Water-Municipal: N/A  
 Other (describe) \_\_\_\_\_  
 Sewer-Municipal: N/A  
 Other (describe) \_\_\_\_\_  
 Electric-Utility: Central Hudson - Electric  
 Other (describe) \_\_\_\_\_  
 Heat-Utility: Central Hudson - Natural Gas  
 Other (describe) \_\_\_\_\_

4. Present legal owner of the Project site: Spruce Properties, LLC  
 \_\_\_\_\_

- a. If the Company owns the Project site, indicate date of purchase: December 24  
~~XXX~~ 1996 purchase price: \$ 100,000 apx. .
- b. If Company does not own the Project site, does Company have an option signed with the owner to purchase the Project site? Yes \_\_\_; No \_\_\_. If yes, indicate date N/A

option signed with the owner: \_\_\_\_\_, 20\_\_; and the date the option expires: \_\_\_\_\_, 20\_\_.

c. If the Company does not own the Project site, is there a relationship legally or by common control between the Company and the present owner of the Project site? Yes \_\_\_; No \_\_\_. If yes, describe; \_\_\_\_\_  
N/A

d. Current Assessed Value of the Project site: \$ 74,000.00

e. Current annual property tax payment of the Project site: \$ 1,162.94

5. a. Zoning District in which the Project site is located: \_\_\_\_\_

b. Are there any variances or special permits affecting the Project site? Yes \_\_\_; No X. If yes, list below and attach copies of all such variances or special permits:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

D. Description of Proposed Construction:

1. Does part of the Project consist of the acquisition or construction of a new building or buildings? Yes X; No \_\_\_. If yes, indicate number and size of new buildings: \_\_\_\_\_

Building, approximately 9,000 square feet  
Approximate cost, \$750,000.00  
\_\_\_\_\_  
\_\_\_\_\_

2. Does part of the Project consist of additions and/or renovations to existing buildings located on the Project site? Yes \_\_\_; No X. If yes, indicate the buildings to be expanded or renovated, the size of any expansions and the nature of expansion and/or renovation:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Describe the principal uses to be made by the Company of the building or buildings to be acquired, constructed or expanded: \_\_\_\_\_

Professional office space  
\_\_\_\_\_  
\_\_\_\_\_



E. Description of the Equipment:

1. Does a part of the Project consist of the acquisition or installation of machinery, equipment or other personal property (the "Equipment")? Yes \_\_\_; No X. If yes, describe the Equipment: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
2. With respect to the Equipment to be acquired, will any of the Equipment be Equipment which has previously been used? Yes \_\_\_; No \_\_\_. If yes, please provided detail: \_\_\_\_\_  
\_\_\_\_\_ N/A \_\_\_\_\_  
\_\_\_\_\_
3. Describe the principal uses to be made by the Company of the Equipment to be acquired or installed: \_\_\_\_\_  
\_\_\_\_\_ N/A \_\_\_\_\_  
\_\_\_\_\_

F. Project Use:

1. What are the principal products to be produced at the Project? N/A \_\_\_\_\_  
\_\_\_\_\_
2. What are the principal activities to be conducted at the Project? \_\_\_\_\_  
\_\_\_\_\_ Professional office \_\_\_\_\_  
\_\_\_\_\_
3. Does the Project include facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities? Yes \_\_\_; No X. If yes, please provide detail: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
4. If the answer to question 3 is yes, what percentage of the cost of the Project will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project? \_\_\_\_\_% N/A
5. If the answer to question 3 is yes, and the answer to question 4 is more than 33.33%, indicate whether any of the following apply to the Project: N/A
  - a. Will the Project be operated by a not-for-profit corporation? Yes \_\_\_; No \_\_\_. If yes, please explain: \_\_\_\_\_

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

b. Is the Project likely to attract a significant number of visitors from outside the economic development region in which the Project will be located? Yes \_\_\_; No x. If yes, please explain: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

c. Would the Project occupant, but for the contemplated financial assistance from the Agency, locate the related jobs outside the State of New York? Yes \_\_\_; No x. If yes, please explain: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

d. Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonable accessible to the residents of the city, town or village within which the Project will be located, because of a lack of reasonably accessible retail trade facilities offering such goods or services? Yes \_\_\_; No x. If yes, please provide detail: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

e. Will the Project be located in one of the following: (i) the City of New York; (ii) an area designed as an economic development zone pursuant to Article 18-B of the General Municipal Law; or (iii) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (x) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of households receiving public assistance, and (y) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates? Yes \_\_\_; No x. If yes, please explain: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. If the answers to any of subdivisions c. through e. of question 5 is yes, will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? Yes \_\_\_; No \_\_\_. If yes, please explain: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

N/A

7. Will the completion of the Project result in the removal of a plant or facility of the Company or another proposed occupant of the Project (a "Project Occupant") from one area of the State of New York to another area of the State of New York? Yes \_\_\_; No x. If yes, please explain: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

8. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Company located in the State of New York? Yes \_\_\_; No X. If yes, please provide detail: \_\_\_\_\_

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

9. If the answer to either question 7 or question 8 is yes, indicate whether any of the following apply to the Project:

a. Is the Project reasonably necessary to preserve the competitive position of the Company or such Project Occupant in its industry? Yes \_\_\_; No \_\_\_. If yes, please provide detail: \_\_\_\_\_

N/A  
\_\_\_\_\_  
\_\_\_\_\_

b. Is the Project reasonably necessary to discourage the Company or such Project Occupant from removing such other plant or facility to a location outside the State of New York? Yes \_\_\_; No \_\_\_. If yes, please provide detail: \_\_\_\_\_

N/A  
\_\_\_\_\_  
\_\_\_\_\_

G. Project Status:

1. If the Project includes the acquisition of any land or buildings, have any steps been taken toward acquiring same? Yes X; No \_\_\_. If yes, please discuss in detail the approximate stage of such acquisition: \_\_\_\_\_

Land already acquired  
\_\_\_\_\_  
\_\_\_\_\_

2. If the Project includes the acquisition of any Equipment, have any steps been taken toward acquiring same? Yes \_\_\_; No \_\_\_. If yes, please discuss in detail the approximate stage of such acquisition: \_\_\_\_\_

N/A  
\_\_\_\_\_  
\_\_\_\_\_

3. If the Project involves the construction or reconstruction of any building or other improvement, has construction work on any such building or improvement begun? Yes \_\_\_; No X. If yes, please discuss in detail the approximate extent of construction and the extent of completion. Indicate in your answer whether such specific steps have been completed as site clearance and preparation; completion of foundations; installation of footings; etc.: \_\_\_\_\_

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

4. Please indicate amount of funds expended on the Project by the Company in the past three (3) years and the purposes of such expenditures: \_\_\_\_\_

\_\_\_\_\_  
None, land was acquired more than 3 years ago.  
\_\_\_\_\_

**III. INFORMATION CONCERNING LEASES OR SUBLEASES OF THE PROJECT,  
(PLEASE COMPLETE THE FOLLOWING SECTION IF THE COMPANY INTENDS TO  
LEASE OR SUBLEASE ANY PORTION OF THE PROJECT).**

A. Does the Company intend to lease or sublease more than 10% (by area or fair market value) of the Project? Yes x ; No \_\_\_\_\_. If yes, please complete the following for each existing or proposed tenant or subtenant: N/A No tenants at this point, spec building

1. Sublessee name: \_\_\_\_\_  
Present Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Employer's ID No.: \_\_\_\_\_  
Sublessee is: \_\_\_ Corporation: \_\_\_ Partnership: \_\_\_ Sole Proprietorship: \_\_\_ Other;  
If Other, Indicate Type: \_\_\_\_\_  
Relationship to Company: \_\_\_\_\_  
Percentage of Project to be leased or subleased: \_\_\_\_\_  
Use of Project intended by Sublessee: \_\_\_\_\_  
Date of lease or sublease to Sublessee: \_\_\_\_\_  
Term of lease or sublease to Sublessee: \_\_\_\_\_  
Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes \_\_\_; No \_\_\_\_\_. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.
2. Sublessee name: \_\_\_\_\_  
Present Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Employer's ID No.: \_\_\_\_\_  
Sublessee is: \_\_\_ Corporation: \_\_\_ Partnership: \_\_\_ Sole Proprietorship: \_\_\_ Other;  
If Other, Indicate Type: \_\_\_\_\_  
Relationship to Company: \_\_\_\_\_  
Percentage of Project to be leased or subleased: \_\_\_\_\_  
Use of Project intended by Sublessee: \_\_\_\_\_  
Date of lease or sublease to Sublessee: \_\_\_\_\_  
Term of lease or sublease to Sublessee: \_\_\_\_\_  
Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes \_\_\_; No \_\_\_\_\_. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.
3. Sublessee name: \_\_\_\_\_

Present Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Employer's ID No.: \_\_\_\_\_  
 Sublessee is: \_\_\_\_\_ Corporation: \_\_\_\_\_ Partnership: \_\_\_\_\_ Sole Proprietorship: \_ Other;  
 If Other, Indicate Type: \_\_\_\_\_  
 Relationship to Company: \_\_\_\_\_  
 Percentage of Project to be leased or subleased: \_\_\_\_\_  
 Use of Project intended by Sublessee: \_\_\_\_\_  
 Date of lease or sublease to Sublessee: \_\_\_\_\_  
 Term of lease or sublease to Sublessee: \_\_\_\_\_  
 Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes \_\_\_; No \_\_\_. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.

B. What percentage of the space intended to be leased or subleased is now subject to a binding written lease or sublease? \_\_\_\_\_ None \_\_\_\_\_

**IV. EMPLOYMENT IMPACT.** Indicate below the number of people presently employed at the Project site and the number that will be employed at the Project site at end of the first and second years after the Project has been completed (Do not include construction workers). Also indicate below the number of workers employed at the Project site representing newly created positions as opposed to positions relocated from other project sites of the applicant.

Uncertain

TYPE OF EMPLOYMENT					
	PROFESSIONAL OR MANAGERIAL	SKILLED	SEMI- SKILLED	UNSKILLED	TOTALS
Present Full Time					
Present Part Time					
Present Seasonal					
First Year Full Time					
First Year Part Time					
First Year Seasonal					
Second Year Full Time					
Second Year Part Time					
Second Year Seasonal					
Third Year Full Time					
Third Year Part Time					
Third Year Seasonal					

Uncertain, not currently determinable

**V. PROJECT COST.**

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

Description of Cost	Amount
Land	\$ 100,000
Buildings	\$ 750,000
Machinery and equipment costs	\$
Utilities, roads and appurtenant costs	\$
Architects and engineering fees	\$ 30,000
Costs of financing	\$ 30,000
Construction loan fees and interest	\$ 40,000
Other (specify)	\$
_____	\$
_____	\$
_____	\$
<b>TOTAL PROJECT COSTS</b>	<b>\$ 950,000</b>

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

Land already owned

**VI. FINANCIAL ASSISTANCE EXPECTED FROM THE AGENCY.**

A. Tax Benefits.

1. Is the applicant requesting any real property tax exemption in connection with the Project that would not be available to a project that did not involve the Agency? Yes X ; No \_\_\_\_ . If yes, is the real property tax exemption being sought consistent with the Agency's Uniform Tax Exemption Policy? Yes X ; No \_\_\_\_ .
2. Is the applicant expecting that the financing of the Project will be secured by one or more mortgages? Yes X ; No \_\_\_\_ . If yes, what is the approximate amount of financing to be secured by mortgages? \$ 750,000 .
3. Is the applicant expecting to be appointed agent of the Agency for purposes of avoiding payment of N.Y.S. Sales Tax or Compensating Use Tax? Yes X ; No \_\_\_\_ . If yes, what is

the approximate amount of purchases which the applicant expects to be exempt from the N.Y.S. Sales and Compensating Use Taxes? \$ 300,000.

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

- a. N.Y.S. Sales and Compensating Use Taxes: \$ 24,375.00
- b. Mortgage Recording Taxes: \$ 7,875.00
- c. Real Property Tax Exemptions: \$ uncertain
- d. Other (please specify):

5. Are any of the tax-exemptions being sought in connection with the Project inconsistent with the Agency's Uniform Tax-exemption Policy? Yes     ; No X. If yes, please explain how the request of the applicant differs from the Agency's Uniform Tax-Exemption Policy: \_\_\_\_\_

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

**VII. REPRESENTATIONS BY THE APPLICANT.** The applicant understands and agrees with the Agency as follows:

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

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

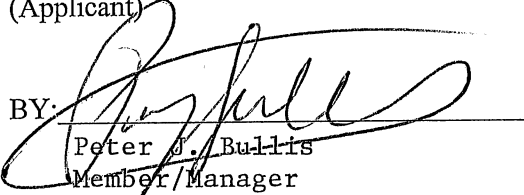
C. Annual Sales Tax Filings: In accordance with Section 874(8) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal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

D. Annual Employment Reports: The applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site.



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

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

Spruce Properties, LLC  
(Applicant)  
BY:   
Peter J. Bullis  
Member/Manager

-----  
NOTE: APPLICANT MUST COMPLETE THE APPROPRIATE VERIFICATION APPEARING ON PAGES 17 THROUGH 19 HEREOF BEFORE A NOTARY PUBLIC AND MUST SIGN AND ACKNOWLEDGE THE HOLD HARMLESS AGREEMENT APPEARING ON PAGE 20.  
-----

VERIFICATION

(If Applicant is a Corporation)

STATE OF \_\_\_\_\_ )  
 ) SS.:  
COUNTY OF \_\_\_\_\_ )

\_\_\_\_\_ deposes and says that he is the  
(Name of officer of applicant)  
\_\_\_\_\_ of \_\_\_\_\_,  
(Title) (Company Name)

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

\_\_\_\_\_  
(officer of applicant)

Sworn to before me this  
\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public

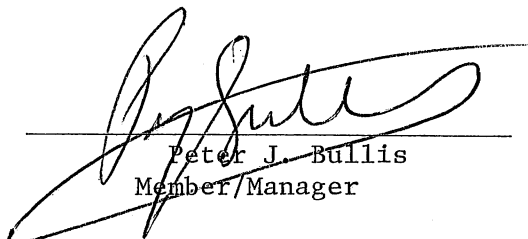
VERIFICATION

(If applicant is partnership)

STATE OF New York )  
 ) SS.:  
COUNTY OF Orange )

Peter J. Bullis, deposes and says that he is one of the  
(Name of Individual)  
members of the firm of Properties, LLC, the partnership named in the attached application; that  
<sup>Spruce</sup>  
(partnership name)

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

  
Peter J. Bullis  
Member/Manager

Sworn to before me this  
6<sup>th</sup> day of Oct, 2010

Patricia L. Greb  
Notary Public

PATRICIA L. GREB  
Notary Public, State Of New York  
Qualified In Orange County  
Registration No. 01GR6042654  
Commission Expires May 30, 2014



HOLD HARMLESS AGREEMENT

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

\_\_\_\_\_  
(Applicant)

BY: \_\_\_\_\_

Sworn to before me this  
\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public

## INSTRUCTIONS

1. The Agency will not approve any application unless, in the judgment of the Agency, said application contains sufficient information upon which to base a decision whether to approve or tentatively approve an action.
2. Fill in all blanks, using "none" or "not applicable" or "N/A" where the question is not appropriate to the project which is the subject of this application (the "Project").
3. If an estimate is given as the answer to a question, put "(est)" after the figure or answer which is estimated.
4. If more space is needed to answer any specific question, attach a separate sheet.
5. When completed, return two (2) copies of this application to the Agency at the address indicated on the first page of this application.
6. The Agency will not give final approval to this application until the Agency receives a completed environmental assessment form concerning the Project which is the subject of this application.
7. Please note that Article 6 of the Public Officers Law declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the applicant feels that there are elements of the Project which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the applicant's competitive position, the applicant may identify such elements in writing and request that such elements be kept confidential in accordance with Article 6 of the Public Officers Law.
8. The applicant will be required to pay to the Agency all actual costs incurred in connection with this application and the Project contemplated herein. The applicant will also be expected to pay all costs incurred by general counsel and special counsel to the Agency.
9. The Agency has established an application fee of Five Hundred Dollars (\$500) to cover the anticipated costs of the Agency in processing this application. A check or money order made payable to the Agency must accompany each application. **THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS ACCOMPANIED BY THE APPLICATION FEE.**
10. The Agency has established a project fee for each project in which the Agency participates. **UNLESS THE AGENCY AGREES IN WRITING TO THE CONTRARY, THIS PROJECT FEE IS REQUIRED TO BE PAID BY THE APPLICANT AT OR PRIOR TO THE GRANTING OF ANY FINANCIAL ASSISTANCE BY THE AGENCY.**

FEE