

Niagara County Industrial Development Agency
6311 Inducon Corporate Dr. - Sanborn, New York 14132

Industrial Development Agency Projects: The Niagara County Industrial Development Agency was created by a special Act of the New York State Legislature and is governed by Article 18-A of the General Municipal Laws of the State of New York. The Agency is a non-for profit Development Corporation that is authorized to enter in to lease agreements for the purposes of providing certain tax benefits; sales tax, mortgage recording and real property tax exemptions. The Industrial development Agency is not a commercial lender.

Lease / Lease - Sale / Lease Agreement

Who is involved:

- 1) Company & Company Attorney
- 2) Niagara County I.D.A. & Attorney
- 3) Commercial Lender & Attorney

Qualifying Criteria: The types of projects that qualify for assistance include, but are not limited to, manufacturing, warehousing, commercial, office, tourist destination and health care facilities. A lease/lease agreement has no limit on the amount of fixed assets being financed, there are no regulations governing the "useful life" of the asset and/or the types of assets that can be financed, such as new and existing buildings, new and used equipment, production and material handling equipment, storage/racking systems, furniture, fixtures and lab equipment and a range of other assets.

Process: A lease/lease transaction is an agreement by and between the company, commercial lender (if applicable) and the industrial development agency. While the building and equipment is carried on the company's books as an asset and serves as collateral for the lender, nominal title to the project is in the name of the Agency, through the lease, for the purposes of providing the tax benefits. The Agency is not a commercial lender.

1. Company submits an application for assistance and Environmental Assessment Form to the Agency where it is reviewed by the staff and counsel for eligibility and compliance (Application and EAF should be submitted by the first of the month).
2. The application is presented to the Board of Directors at its' regularly scheduled meeting (Second Wednesday of the month). It is then formally accepted by the Board and a public hearing is authorized
3. The Agency conducts the required public hearing within the community were the project is to be located at least 30 days after notice in the newspaper (the hearing is on the nature and location of the project and benefits being proposed, it is not an environmental review).
4. After the public hearing, the Agency passes a Notice of Environmental Determination and Inducement Resolution. This Inducement Resolution is the official start date of the project.
5. On a lease/leaseback agreement, the transaction can close within 45 to 60 days.
6. Upon the closing of the project, the Agency shall have the right to erect a sign at the site indicating the Agency's involvement with the project. The sign shall be placed in a public viewing area at the direction of the company and shall be removed within 30 days of project completion.

The Niagara County Industrial Development Agency does not discriminate on the basis of race, color, religion, sex, sexual orientation, marital status, age, national origin, disability or status as a disabled or Vietnam Veteran or any other characteristic protected by law.

Application for Assistance Introduction

I. Each applicant seeking financial assistance through the Niagara County Industrial Development Agency must complete and return the accompanying Application and Environmental Assessment forms, and the items listed below. This information is necessary to determine project and/or applicant eligibility.

- a. Application
- b. Environmental Assessment
- c. Certificate or Articles of Incorporation for the Applicant Company
- d. Marketing and Economic Feasibility Studies (Check w/ NCIDA Project Manager)

II. Subject to the applicable statute, information provided by applicant will be treated confidential until such time as the Agency takes action on the request. In accordance with Article 6 of the Public Officers Law, all records in possession of the Agency are open to public inspection and copy.

III. The Niagara County Industrial Development Agency has a five hundred dollar (\$500.00) non-refundable processing fee, and a five hundred dollar (\$500.00) application fee that must accompany the application submission. Additionally, the applicant is responsible for all public hearing expenses.

IV. At the time of the project closing, project applicant is required to pay certain costs associated with the project financing, including, but not limited to, Agency costs actually incurred. The applicant shall be responsible for the payment of an Agency fee in the amount of one percent (1.00%) of the face value of the project, together with Agency counsel fees as set forth in the fee policy schedule and various related costs. Upon request, a fee summary will be provided to the applicant.

V. Four (4) original copies of the Application and Environmental Assessment and a single copy of the checklist items should be returned to the Niagara County Industrial Development Agency at 6311 Inducon Corporate Drive, Suite One, Sanborn, New York 14132.

VI. Upon the closing of the Project, the Agency shall have the right to erect a sign at the site indicating the Agency's involvement with the Project. The sign shall be placed in a public viewing area at the direction of the applicant and shall be removed within 30 days of project completion.

Niagara County Industrial Development Agency
6311 Inducon Corporate Drive, Suite One. - Sanborn, New York 14132
(716) 278-8760 Fax (716) 278-8769

Application for Assistance

Please answer all questions on the **Niagara County Industrial Development Agency Application and Environmental Assessment Form**. Information submitted as part of this application will not be made public prior to the passage of an Official Action Resolution by the Agency. After such action, this information may be subject to disclosure under the New York State Freedom of Information Act.

Prior to application submission, this project was reviewed with _____ of the Niagara County Industrial Development Agency and assigned Project Number _____.

I. Company Data

A. **Company Name:** One Niagara LLC
Address: 3116 Military Rd., Niagara Falls, NY 14304
3116 Military Rd., Niagara Falls, NY 14304

Telephone: 716-946-5757 **Fax:** 716-625-1303
Email: paulgrenga@hotmail.com **Website:** one-niagara.com
IRS Identification No.: _____

Company official completing this application and authorized to respond on behalf of the company:

Name: Paul Grenga **Title:** Manager

B. **Company Owners, Officers, Directors and Partners:** List name and home address, title and other principal business affiliations.
Whitestar Development Corp., Incredible Investments LLC
both with offices at 360 Rainbow Blvd. South, Niagara Falls, NY 14303

C. **Legal Counsel:** Law Offices of Paul A. Grenga and Associates LLP
Address: 360 Rainbow Blvd. S., Niagara Falls, NY 14303
Telephone: 866-678-3974 **Fax:** 716-625-1303
Email: paulgrenga@hotmail.com

D. **Accountant (Firm):** Romeo Accounting
Address: 3116 Military Rd., Niagara Falls, NY 14304
Telephone: 716-297-4644 **Fax:** _____
Email: _____

E. Principal Bank of Account: M&T Bank

F. Type of Business: Corporation Sub Chapter S Partnership
 Sole Proprietorship Other Limited Liability Company

G. Is Company authorized to do business in New York State? Yes No

H. Principal Stockholders with 5% or more of stock outstanding in the company:

<u>Name</u>	<u>Address</u>	<u>% of Holding</u>
Whitestar Development Corp.	360 Rainbow Blvd. South, Niagara Falls, NY 14303	50% managing member
Incredible Investments LLC	360 Rainbow Blvd. South, Niagara Falls, NY 14303	50

I. List subsidiary, associate, and/or affiliated companies of applicant.

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

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

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

If the answer to any of the above questions is yes, please, furnish details in a separate attachment.

K. Identify the assistance being requested of the Agency:

- (1) Bond financing for new project; estimated amount \$ _____
- (2) Bond/project refinancing; estimated amount \$ _____
- (3) Lease/sale back
- (4) Assignment of lease
- (5) Exemption from Sales Tax; estimated benefit \$ 400,000.00
- (6) Exemption from Mortgage Tax; estimated benefit \$ TBD
- (7) Exemption from Real Property Tax; estimated benefit \$ 960,000.00

If you have selected (5),(6) or (7), indicate whether you are seeking a deviation from the Agency's uniform tax exemption policy: Yes No If the answer is yes, please furnish details in a separate attachment.

- (8) Other (please furnish details in a separate attachment)

NOTE to Item (7) above: The project still suffers from the resulting long term fall-out of the Aqua Falls development failure. Current development has been impaired by significant damage to the exterior site, deferred maintenance, between 1999 & 2004 resulting in abandonment by all bankable tenants in 2005, litigation amongst the current ownership and holdover interests from Aqua Falls, and code enforcement litigation with the local municipality during post 2005 rehabilitation of the site. The tax assessment to pre-Aqua Falls valuations (\$4.6M) coupled with a tax re-levy resulting from the Aqua Falls PILOT default resulted in a uniquely excessive real estate tax burden prohibiting investment at the site. Current assessments have not yet been adjusted for the 90+% vacancy rate or for devaluation resulting from the condemnation of floors 2-9.

New management has acquired the site & seeks to expedite the project redevelopment. Short term real estate tax relief is necessary to fund repayment of challenged tax arrears and simultaneous re-investment into the project.

II. Business Data

A. Company Background

- 1. Describe when and where was the company established?
One Niagara LLC was formed in December of 2004 to acquire and improve the site of the former Aqua Falls project. New management acquired the company in July of 2010.
- 2. Describe the type of business
One Niagara LLC owns the above parcel and is in the process of converting same to a mix use center focused on tourism, retail, food & beverage, offices, high-tech (data services), hospitality, and residential.
- 3. Description of Present Facilities:
Lot size: 2.25 Number of buildings: 1
Square footage of facilities: 186,000 gross
 Owns OR Rents present facilities

4. What is the present employment of the company?

Full Time 20+/- # Part Time 40+/-

Estimated annual payroll: \$ 600,000

5. Approximate annual sales: \$ 5 million, all tenants

6. Describe primary markets.
tourism, retail, food & beverage, offices at present.

7. Provide a brief description of the company and its history.
see 1 above

B. Provide types of business activity and approximate square feet of each for company's present facility:

	Square Feet
Manufacturing/Processing	
Warehousing	
Research & Development	
Commercial	
Retail*	15,000
Office	7,000
Other (specify)	

* A retail business activity shall mean (i) sales by a registered vendor under article twenty-eight of the New York tax law primarily engaged in the retail sale of tangible personal property, as defined in subparagraph (i) of paragraph four of subdivision (b) of section eleven hundred one of the tax law; or (ii) sales of a service to such customers.

C. Describe principal goods, products and/or services of the company:
at present, the principal business conducted at One Niagara is that of a tourist amenity center providing services to an estimated 900,000 visitors to Niagara County per annum.

III. Project Data

A. Location of Proposed Project:

1. Physical Address of proposed Project Site:

Address: 360 Rainbow Blvd. South
City, Town, Village: Niagara Falls, NY
County: Niagara

2. New York State Empire Zone Tax Incentives.

In addition to financial incentives that the Niagara County Industrial Development Agency can provide with respect to the proposed Project, the Project may also be eligible for New York State tax benefits (sales tax, income tax, and real property tax benefits and credits) under the New York State Empire Zone Program. Empire Zone tax benefits can be utilized concurrently with Niagara County Industrial Development Agency benefits and incentives.

Is the proposed Project Site located in an Empire Zone?

Yes No Unsure

3. New York State Brownfield Cleanup Program Tax Incentives

New York State provides for significant refundable New York State tax credits with respect to cleanup and construction (buildings and equipment) costs, real property tax expenses, and insurance costs related to remediating and developing a Brownfield/contaminated property. In addition, New York State provides for a release of liability with respect to such contamination located in, on or emanating from the Brownfield Site. New York State Brownfield Cleanup Program tax credits can be utilized concurrently with Niagara County Industrial Development Agency benefits and incentives.

Under the New York Brownfield Cleanup Program, a Brownfield or a Brownfield Site is any real property, the redevelopment or reuse of which may be complicated by the presence or potential presence of a hazardous waste, petroleum, pollutant, or contaminant (collectively, "contaminants").

- b. Are the existing buildings in operation? Yes No If yes, describe present use of present buildings:

Building	Use
1st Floor	Tourist Amenity Ctr. (retail & F&B)
2nd Floor	Retail
7th Floor	Company Offices
9th Floor	Retail, Observation (pending re-opening 2011)

- c. Are the existing buildings abandoned? Yes No About to be abandoned? Yes No If yes, describe:
 Floors 3, 4, 5, 6 & 8 are vacant. 9th floor is closed pending roof repairs. 2nd floor scheduled to open 6/22/11.

- d. Attach photograph of present buildings.

3. Identify present landowner. One Niagara LLC

4. Present zoning of site: Downtown Commercial

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

If yes, list below and attach copies of all such variances or special permits.
 Special Permits for Sightseeing Tour Operators in place.

5. Provide Tax Map (section/block/lot) number(s):
158.12-1-1

6. List current assessed value: \$ 300,000.00
 List current annual property tax payment: \$ 192,000.00

7. Identify school district pertaining to Proposed Project location:
Niagara Falls

C. Proposed Project Facility and Equipment

1. Does part of the Project consist of the acquisition or construction of a new building or buildings? Yes , No

If yes, indicate number and size of new buildings:

Installation of 10 exterior pergolas for vendor operations, landscaping, pavement and other site plan improve
Renovation of currently vacant floors.

2. Does part of the Project consist of additions and/or renovations to existing buildings located on the Project site? Yes , No

If yes, indicate the buildings to be expanded or renovated, the size of any expansions and the nature of expansion and/or renovation:

Expansion of mixed use (tourism, office, high-tech, hospitality & residential) throughout floors 3 - 9.
Approximately 100,000 sq.ft. of interior improved area.
Completion of exterior renovations, less than 1 acre.

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

1st & 2nd floors, tourism amenity center.
Expand retail and entertainment to floor 3. 4th floor high-tech.
Floors 5-9, mix of office, hospitality and residential.

4. Will machinery and equipment be acquired and installed?

New: No Yes Type HVAC / Computer
Used: No Yes Type _____

Describe the principal uses to be made by the Company of the Equipment to be acquired or installed:

HVAC - replacement of antiquated system installed in early 1980's
Computer Equipment - installation by tenants for operations of "data center".

5. Project Use

- a. What are the principal products to be produced at the Project?
not applicable.

6. Project Use

- a. What are the principal activities to be conducted at the Project?

	%		%
Warehousing		Manufacturing	
Processing		Pollution control	
Office	10	Research & Development	
Retail*	15	Commercial	30
Recreational	10	Other:	35

* A retail business activity shall mean (i) sales by a registered vendor under article twenty-eight of the New York tax law primarily engaged in the retail sale of tangible personal property, as defined in subparagraph (i) of paragraph four of subdivision (b) of section eleven hundred one of the tax law; or (ii) sales of a service to such customers.

- b. 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

If yes, please see Addendum A attached hereto.

- c. 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 If yes, please explain:

- d. 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

If yes, please provide detail:

- e. If the answer to either question (d) or question (e) is yes, indicate whether any of the following apply to the Project:

- (1) 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:

Improvements are necessary to maintain and increase standing in the tourism industry.
 Improvements are necessary to achieve the highest and best use of the existing facilities.

- 2) 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:

But for the improvements outlined here, the Company cannot maintain a competitive or profitable position in Niagara County.

7. Is this a single phase or multi-phase project? Single Multi

Phase I Activities: Site plan improvements, 9th floor re-opening, expansion to 2nd floor completed

Phase II Activities: Expand office tenant base.

Phase III Activities: Construct hospitality and residential units.

- D. Utilities and services presently serving site. Provide name of utility provider.

Gas: National Fuel	Size: sufficient to meet project needs
Electric: National Grid	Power: same as above
Water: City of NF WB	Size: same as above
Sewer: City of NF WB	Size: same as above
Other (specify):	

E. What is your project timetable? (Provide dates)

1.	Start date: acquisition or construction of facilities:	<u>2011</u>
2.	Completion of project facilities:	<u>5 years</u>
3.	Project occupancy – starting date of operations:	<u>2011</u>

F. Have any contracts or purchases been made, committed and/or executed toward the project? No Yes,

If yes, please provide detail:

Construction contracts for 2nd floor improvements.

G. Has any work toward the completion of the project been initiated? No Yes,

If yes, please provide detail:

Electrical, Fire Detection, Fire Prevention and HVAC for 2nd floor

H. Will the project require any government actions, permits or clearances (other than IDA requirements)? If yes, please provide the following details:

Action	Issuing Agency	Date of Issuance
Building Permits only	City of Niagara Falls, NY	Ongoing

I. Include any site plans, drawings or blueprints that have been developed.

J. Does the Company intend to lease or sublease more than 10% (by area or fair market value) of the Project? Yes No If yes, please complete the following for each existing or proposed tenant or subtenant:

Sublessee name: Tourist Services LLC
 Present Address: 360 Rainbow Blvd. South, Niagara Falls, NY 14303
 Address: same as above
 Employer's ID No.: 20-4712022

Sublessee is: Corporation Partnership Sole Proprietorship

Relationship to Company: Master Tenant. (Master Tenant & Owner share the same member, Whitestar Development Corp.)

Percentage of Project to be leased or subleased: 35 %

Use of Project intended by Sublessee:
Tourist Amenity Center located throughout floors 1, 2 & 9

Date of lease or sublease to Sublessee: December 2006

Term of lease or sublease to Sublessee: 35 years

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 III(D)(6)(c) through (f) with respect to each such sublessee.

K. Describe the reasons why this project is necessary and what effect it will have on your company:

But for the improvements outlined here, the property cannot sustain itself economically in Niagara County.

IV. Employment Impact

A) Will Niagara County contractors and / or sub contractors be utilized for the construction project? Yes No

B) What is the estimated number of construction jobs to be created at the project site from:

Niagara County: 10-15 , Erie County 3 , Other Areas 1 ,

- C) 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.

TYPE OF EMPLOYMENT				
	PROFESSIONAL OR MANAGERIAL	SKILLED OR SEMI- SKILLED	UNSKILLED	TOTALS
Present Full Time	10	4	3	17
Present Part Time		4		4
Present Seasonal	5	19	14	38
First Year Full Time	14	6		20
First Year Part Time	2	1		3
First Year Seasonal	20	8	15	43
Second Year Full Time	12	10	5	27
Second Year Part Time	2	5		7
Second Year Seasonal		30	20	50

V. Project Cost Data

- A. Give breakdown of project costs:

Land	\$
Buildings: Acquisition	\$
Renovation	\$ 2,700,000
New Construction	\$ 700,000
Demolition	\$ 300,000
Utilities and Road	\$
Site work and preparation	\$ 250,000
Acquisition of machinery & equipment	\$ 1,500,000
Installation	\$ 500,000
Architectural and engineering fees	\$ 85,000
Legal fees	\$ 120,000
Interest during construction	\$ TBA
Other	\$
TOTAL	\$ 6,155,000

Have any of these expenditures been incurred to date? No Yes If yes, identify:
 In excess of \$1,300,000 on 1st floor improvements, site plan approvals, site work and 2nd & 9th floor renovations.

B. Summary of Financing

Total Project Costs	\$ 6,155,000
Amount of Bond or Leaseback financing	\$ TBA
Amount of Conventional financing	\$ 0.00
Equity	\$ 6,155,000.00

C. Will any part of the project be financed with funds of the company? No Yes, If yes, please provide detail:

Item	\$ 6,155,000.00
Improvements to be funded through equity or non-institutional financing.	

D. Will other forms of government financing be used to undertake the project: No Yes
If yes, please provide detail:

Program	Amount	Status
TBA		

E. Have financial institutions or potential bond purchasers been approached? No Yes

If yes, please provide detail:

Local banking institutions have been approached. Financing unavailable.

F. List capital expenditures of the company:

	Past 3 years	Next 3 years
Real Property	\$	\$
Buildings	\$ 600,000	\$ 1,500,000
Equipment	\$ 300,000	\$ 750,000

\$ numbers above (F.) are likely understated for historic & prospective years. Review of expenditures to date is ongoing as of this writing.

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:

Richard A. Solari & Kari Bullman are Niagara County Legislators by appointment. Their respective terms are expected to expire 12/31/2011

CERTIFICATION

(to be executed by the principal of the applicant and acknowledged by a notary public)

- I. Paul A. Grenga (name of chief executive officer or other authorized representative of applicant) deposes and says that he/she is the President of Managing Member (title) Of One Niagara LLC (name of corporation or other entity) named in the attached Application (the "Applicant"); that he/she has read the foregoing Application and knows the contents thereof, and that the same is true to his/her knowledge.
- II. The grounds for deponent's belief relative to all matters in the 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 the Application, as well as information acquired by deponent in the course of his/her duties as an officer of and from the books and papers of said corporation or other entity.
- III. As an officer of the Applicant deponent acknowledges and agrees that the Applicant shall be and is responsible for all costs incurred by the Agency and all legal counsel for the Agency, including its general counsel and/or bond/transaction counsel, whether or not the Application, the proposed project it describes, the attendant negotiations, or the issue of bonds or other transaction or agreement are ultimately ever carried to successful conclusion 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 (A) the Agency's examination and processing of, and action pursuant to or upon, the Application, regardless of whether or not the Application or the proposed project described herein or the tax exemptions and other assistance requested herein are favorably acted upon by the Agency, (B) the Agency's acquisition, construction and/or installation of the proposed project described herein and (C) any further action taken by the Agency with respect to the proposed project; including without limiting the generality of the foregoing, all causes of action and attorney's fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing.
- IV. By executing and submitting this Application, the Applicant covenants and agrees to pay the following fees to the Agency and the Agency's general counsel and/or the Agency's bond/transaction counsel, the same to be paid at the times indicated:
- (a) The sum of **\$1000.00** as a non-refundable processing fee; and
 - (b) The Agency fee of an amount equal to **1 1/4%** of the total project costs to be paid at transaction closing;

(c) All fees, costs and expenses incurred by the Agency for (1) legal services, including but not limited to those provided by the Agency's general counsel and/or the Agency's bond/transaction counsel, thus note that the Applicant is entitled to receive upon request a written estimate of fees and costs of the Agency's general counsel and the Agency's bond/transaction counsel; and (2) other consultants retained by the Agency in connection with the proposed project; with all such charges to be paid by the applicant at the closing.

V. By executing and submitting this Application, and in the event the closing does not occur, the Applicant further covenants and agrees to pay the following fees to the Agency and the Agency's general counsel and/or the Agency's bond/transaction counsel:

(a) If the Applicant fails to conclude or consummate the 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, the Applicant shall pay to the Agency, its agents, or assigns, upon presentation of an invoice, a sum of one and one quarter percent (1.25%) of (i) the amount of bond financing requested; or (ii) the amount on which the financial assistance for the proposed project was determined, and upon presentation of an invoice, all actual costs involved with respect to the Application, including but not necessarily limited to fees of the Agency's general counsel and/or the Agency's bond/transaction counsel; or

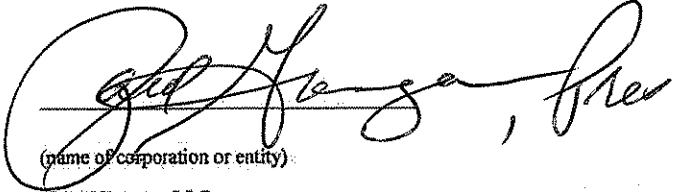
(b) If the Applicant is unable to find buyers willing to purchase the bond issue requested, or if the Applicant is unable to facilitate the sale/leaseback transaction, then upon presentation of an invoice, all actual costs involved with respect to the Application, up to that date and time, incurred by the Agency including but not necessarily limited to fees of the Agency's general counsel and/or the Agency's bond/transaction counsel.

VI. The Applicant acknowledges and agrees that all payment liabilities to the Agency and the Agency's general counsel and/or the Agency's bond and/or transaction counsel as expressed in Sections IV and V are obligations that are not dependent on final documentation of the transaction contemplated by this Application.

VI. The cost incurred by the Agency and paid by the Applicant, including bond/transaction counsel fees and the Agency's general counsel's fees and the processing fees, may be considered as a costs of the project and included in the financing of costs of the proposed project, except as limited by the applicable provisions of the Internal Revenue Code with respect to tax-exempt bond financing.

VI. The Applicant is aware and acknowledges that according to the New York Public Officer's Law, Article 6, Freedom of Information, the public has the right to request information about the project and the Applicant, and that in accordance with Public Officer's Law Article 7, all meetings of the Agency are open to the public.

The Applicant and the individual executing this Application on behalf of Applicant acknowledge that the Agency and its counsel will rely on the representations made in this Application and, if applicable, made in Addendum A, when acting hereon and hereby represents that the statements made herein and therein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein or therein not misleading.



(name of corporation or entity)

One Niagara LLC

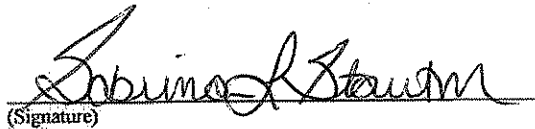
(name of officer)

Paul Grenga

(title) President of Whitestar Development
Corp., Managing Member of One
Niagara LLC

NOTARY

Sworn to before me this 13th day of July, 2011



(Signature)

SABRINA L. STANTON
No. 01ST6196225
Notary Public, State of New York
Qualified in Niagara County
My Commission Expires 11/10/2012

ADDENDUM A

Niagara County Industrial Development Agency Application for Assistance

Retail Project Certification

The undersigned, hereby certifies the following:

1. An application for financial assistance from the Niagara County Industrial Development Agency (the "Agency") has been submitted by One Niagara LLC (the "Applicant") with respect to a certain Project, as described in the Application for Assistance, (the "Application") to which this Addendum is heretofore attached.

2. The Applicant, by its undersigned Authorized Representative, understands and agrees that Section 862 of the New York General Municipal Law provides for a prohibition on the types of projects that can benefit from the assistance of an Industrial Development Agency with respect to *a project where facilities or property that are primarily used in making retail sales to customers who personally visit such facilities constitute more than one-third of the total project cost*. The Applicant, by its undersigned Authorized Representative, understands and acknowledges the following:

a. *Less than One-third Project costs.* Financial assistance of the agency may be provided in respect of any project where facilities or property that are primarily used in making retail sales to customers who personally visit such facilities constitute less than one-third of the total project cost.

b. *Destination project.* Financial assistance may be provided to a project that is a tourism destination project (defined as a location or facility which is likely to attract a significant number of visitors from outside the economic development region as defined under New York economic development law, in which the project is located) even if the project or facilities that are primarily used in making retail sales to customers who personally visit such facilities constitute more than one-third of the total project cost.

c. *Not-for-profit operations.* Financial assistance may be provided to a project that is operated by not-for-profit corporation even if the project or facilities that are primarily used in making retail sales to customers who personally visit such facilities constitute more than one-third of the total project cost.

d. *Retaining jobs within the state.* Financial assistance may be provided to a project where facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities to obtain such goods or services constitute more than one-third of the total project cost, where the project occupant would, but for the assistance provided by the agency, locate the related jobs outside the state.

e. *Unique services.* Financial assistance may be provided to a project where facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities to obtain such goods or services constitute more than one-third of the total project cost where the predominant purpose of the project would be to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the city, town, or village within which the proposed project would be located because of a lack of reasonably accessible retail trade facilities offering such goods or services.

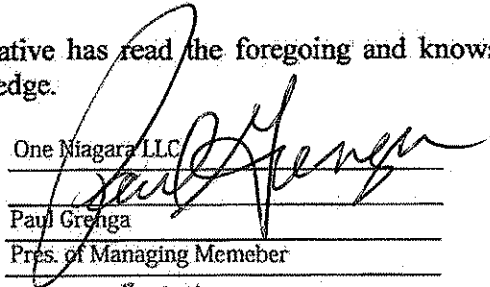
f. Highly distressed area. Financial assistance may be provided to a project where *facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities to obtain such goods or services constitute more than one-third of the total project cost*, where the project is located in a highly distressed area. A "Highly distressed area" shall mean (a) a census tract or tracts or block numbering areas or areas or such census tract or block numbering area contiguous thereto which, according to the most recent census data available, has (i) *a poverty rate* of at least twenty percent for the year to which the data relates or at least twenty percent of households receiving public assistance; and (ii) *an unemployment rate* of at least 1.25 times the statewide unemployment rate for the year to which the data relates; or (b) a city, town, village or county within a city with a population of one million or more for which: (i) the ratio of the full value property wealth, as determined by the comptroller for the year nineteen hundred ninety, per resident to the statewide average full value property wealth per resident; and (ii) the ratio of the income per resident, as shown in the nineteen hundred ninety census to the statewide average income per resident; are each fifty-five percent or less of the statewide average; or (c) an area which was designated an Empire Zone.

3. The Applicant, by its undersigned Authorized Representative, understands and agrees that projects authorized pursuant to Section 2(d),(e), and (f), above, *shall not be approved unless the Agency shall find, after the public hearing* required by New York General Municipal Law, that undertaking the Project will serve the public purposes of the New York General Municipal Law by preserving permanent, private sector jobs or increasing the overall number of permanent, private sector jobs in the state. Where the Agency makes such a finding, *prior to providing financial assistance to the Project by the Agency, the chief executive officer of the municipality for whose benefit the agency was created shall confirm the proposed action of the agency.*
4. The Applicant, by its undersigned Authorized Representative, hereby represents that the project as described in the Application meets the following retail sale exceptions, as noted below and as described in Section 2, above, and further, acknowledges and understand that the approval of the chief executive officer of the municipality for whose benefit the agency was created may be necessary in order for the Agency to provide financial assistance to the Project:

- Less than one-third project costs
 Destination Project
 Retaining jobs within the state
 Unique Services
 Highly distressed area

5. The Applicant, by its undersigned Authorized Representative, hereby acknowledges that it has provided the Agency, as described on Schedule A attached hereto, with the appropriate project costs, market study, business plan, and census tract data, as appropriate, to support the conclusions with respect to the retail exception(s) as represented above in Section 4.

The Applicant, by its undersigned Authorized Representative has read the foregoing and knows the contents thereof and that the same is true to the Applicant's knowledge.

Applicant: One Niagara LLC
 By: 
 Name: Paul Grenga
 Title: Pres. of Managing Memeber
 Date: 7-13-11

Schedule A

1. 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? 10 %

2. If the answer to the prior question is more than 33.33%, indicate whether any of the following apply to the Project:

(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 . 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 . 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 . If yes, please provide detail:

there is no other privately operated tourism amenity center located within the City limits

(e) Will the Project be located in one of the following: (i) an area designed as an Empire Zone pursuant to Article 18-B of the General Municipal Law; or (ii) 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 (a) a poverty rate of at least 20% for the year in which the data relates, or (b) at least 20% of households receiving public assistance, and (c) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates?

Yes ; No . If yes, please explain:

(f) If the answers to any of subdivisions (a) through (e) of question (2) 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:
