

Niagara County Industrial Development Agency
6311 Inducon Corporate Dr. - 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 **Lawrence Witul** of the Niagara County Industrial Development Agency and assigned Project Number ____.

I. Company Data

A. Company Name: **Santarosa Holdings, Inc. and Alternative Resources Management Inc.**

Address: **4870 Packard Road
Niagara Falls, NY 14304**

Telephone: **(716) 278-2000** Fax: **(716) 278-2020**
Email: _____ Website: _____
IRS Identification No.: **26-1475925, 20-0847764 respectively**

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

Name: **Grant Wooley** Title: **Treasurer**

B. Company Owners, Officers, Directors and Partners: List name and home address, title and other principal business affiliations.
a) **Salvatore Santarosa 615 Mountain View Dr Lewiston, NY 14092 President**
b) **Grant Wooley 8892 Michael Douglas Dr Clarence NY 14032 Treasurer**
c) **Carol Gentile 2450 Weston Ave Niagara Falls, NY 14305 Secretary**

C. Legal Counsel: **To be determined**
Address:
Telephone: Fax: _____
Email:

D. Accountant (Firm): **Freed Maxick Sachs & Murphy PC**
Address: **800 Liberty Building**
Telephone: **(716) 847-2651** Fax: **(716) 847-0069**
Email:

- (6) Exemption from Mortgage Tax; estimated benefit \$
(7) Exemption from Real Property Tax; estimated benefit \$

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) Brownfield Cleanup Loan

II. Business Data

A. Company Background

1. Describe when and where was the company established?
Santarosa Holding, Inc. was formed on October 24, 2007, the State of New York. Alternative Resources Management, Inc. was formed on January 8, 2004, the State of New York.
2. Describe the type of business
Santarosa Holdings, Inc. will act as a real estate and tangible personal property holding company for its affiliated companies. Alternative Resources Management, Inc. is a waste tire recycler and manufacture. Alternative Resources produces Tire Derived Fuel, crumb rubber, mulch rubber, and Tire Derived Fuel aggregate.
3. Description of Present Facilities:

Lot size: **5 acres** Number of buildings: **3**

Square footage of facilities: **44,000**

X Owns OR Rents present facilities
4. What is the present employment of the company?

Full Time **20** # Part Time **1**
Estimated annual payroll: **\$692,668.00**
5. Approximate annual sales: \$ **To be discussed with Lawrence Witul**
6. Describe primary markets.
The primary markets for the manufacturing facility are:
 - A. Tire Derived Fuel
 - B. Crumb Rubber for the artificial turf industries
 - C. Mulch Rubber
 - D. Crumb Rubber feed stock for the rubber injection industry
 - E. Tire Derived Fuel Aggregate markets

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

Buffalo Fuel Corp is headquartered in Niagara Falls, NY. It is one of the largest privately owned transportation companies in Western New York. We have 45 employees, majority of them are Niagara County residents. Buffalo Fuel Corp was acquired in 1979 and after more than 28 years as an independent company; Buffalo Fuel Corp. provides quality industrial and hazardous transportation services to a wide range of clients in the United States and Canada. Buffalo Fuel has continuously grown and expanded its scope of services and products. Today with annual sales averaging 10 million dollars Buffalo Fuel is continuing to adapt to the ever-changing needs of its customers, and is rated as one of the top 10 transportation companies in the United States by the Department of Energy. We pride ourselves on being the most dependable carrier in the industry.

Singer Transport, Inc. was founded in 1992 and is an Inter-modal and flatbed carrier. Although its physical address is in Syracuse, NY, its corporate headquarters are in Niagara Falls, NY. Singer maintains a balanced equipment mix that insures its ability to meet its customer's requirements for just-in-time deliveries even during peak delivery times. Presently, Singer operates predominately out of the rail and shipyards located in Syracuse and New Jersey respectively. CSX just announced that it is expanding its rail yard services in Buffalo, NY, which may offer new markets for Singer in this area.

International Waste Removal, Inc. is a transportation consultant for the low level nuclear waste industry. International Waste Removal specializes in the transportation, permitting and disposal of low-level nuclear waste. It also offers a wide array of management and consulting services for the hazardous and non-hazardous industries.

Alternative Resources Management, Inc. is the manufacturing arm of the group of companies. Alternative Resources began in 2004 operating a paper shredding facility in Solvay, NY, that took in waster paper and processed it into a viable fuel for a power in the area. In 2006, Alternative Resources purchased and installed over \$2,000,000.00 worth of tire shredding equipment in our Niagara Falls facility to provide Tire Derived Fuel to a local power plant. Now the Niagara Falls facility has over 20 employees, and services 3 power plants, two in NY, and produces crumb rubber feed stock various customers. We are continuing to find other markets for our products that include, scrap metal, rubber mulch, and powderized rubber. Presently Alternative Resources has out grown its present location on Packard Ave. Although there is great growth potential within the rubber recycling industry for Alternative Resources, we are restricted by present location. Currently we are looking at sites in Niagara and Erie Counties to relocate our manufacturing and corporate offices.

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

	Square Feet
Manufacturing/Processing	15,000
Warehousing	0
Research & Development	N/A
Commercial	N/A
Retail*	N/A
Office	6,500
Other (Maintenance Facility & Leased Space)	22,000

* 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:

The principal products that will initially be manufactured at the facility are as follows:

- 1) **Tire Derived Fuel**
- 2) **Rubber Mulch**
- 3) **Crumb Rubber**
- 4) **Crumb Rubber Feed Stock**
- 5) **Scrap metal**

The facility will also be the corporate headquarters for Buffalo Fuel Corp and Singer Transport, Inc. Buffalo Fuel is a Hazardous, Non-Hazardous Waste carrier and also acts as Alternative Resources main collection arm. Singer Transport is an inter-modal carrier.

III. Project Data

A. Location of Proposed Project:

1. Physical Address of proposed Project Site:

Address: 1501 College Avenue and approximately 6 adjoining acres.
City, Town, Village: Niagara Falls
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?

X 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").

Is the proposed Project Site located on a site where the known or potential presence of a contaminant(s) is complicating the development/use of the property?

X Yes **No** **Unsure**

Has a Phase I Environmental Assessment been prepared or will one be prepared with respect to the proposed Project Site?

X Yes **No** **Unsure**

Have any other studies or assessments been undertaken with respect to the proposed Project Site that indicate the known or suspected presence of contamination that would complicate the site's development?

X Yes No Unsure

B. Existing Project Facilities:

1. Parcel Size:
13.5 acres, plus approximately 6 adjoining acres of vacant land

2. Are there existing buildings on the Project site? Yes No.

a. If yes, indicate the number of buildings on the site: **2**. Also, please briefly identify each existing building and indicate the approximate size (in square feet) of each such existing building:

Building Description	Size
Manufacturing, Warehousing, Maintenance	273,000
Office	7,500

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

Building	Use

c. Are the existing buildings abandoned? **Yes X**; No. About to be abandoned? Yes ; No . If yes, describe:

The buildings and property have been abandoned since 1986. Until we recently purchased the property, it has been used as an illegal dump site for C&D material and an unauthorized scrap metal recovery facility.

d. Attach photograph of present buildings.

3. Identify present landowner. **Santarosa Holdings, Inc**

4. Present zoning of site: **Heavy Industrial**

Are there any variances or special permits affecting the Project site?

Yes No **not to our knowledge**

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

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

SBL# 130.18-2-3.211 , 130.18-2-17, 130.18-2-16 Ward 12, Pro Nos. 4662, 4664, 130.18-2-3.22, 130.18-2-15, 130.18-2-3.212, Ward 12 Pro Nos. 4663,4666,4670

6. List current assessed value: **\$440,600.00**

List current annual property tax payment: **Estimated at \$9,000.00**

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 X; No.**

If yes, indicate number and size of new buildings:

Upon renovating the section of the facility that will house our maintenance facility, we build an 8,500 square foot addition in order accommodate our transportation equipment repair needs.

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

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

The renovations of the property is made up of three phases:

First, we will be renovating the main manufacturing facility, which is approximately 273,000 sq ft. The present facility is completely dilapidated. Portions of the outside structure are either missing or have fallen down. Sections of the roof have fallen in and is a hazard for anyone entering the building. The interior is filled with rubbish and illegally dumped material. All the wiring and plumbing have been removed, as well as portions of the metal structures for scrap metal. The renovation of the manufacturing facility will be comprised of fixing the existing roof, rebuilding and repairing

the outside façade of the buildings, and replacing all the broken windows. Simultaneously we will be renovating the interior of the facility. This will be comprised of repairing the actual foundation and floors, interior supports, reconstructing all the interior walls, installing new lighting, plumbing and heat. Sections of the main facility will be remodeled to accommodate a parts room, locker room, lunchroom, and office for the manufacturing personnel. Another section will be renovated to house our maintenance shop for our transportation equipment. A control room will be added to house all the electrical and computer equipment for the facility.

Secondly, the surrounding property itself has not been maintained since its abandonment. It is completely over grown and is the home for numerous rodents and stray animals that could be a nuisance for the near by communities. Once the cleanup of the property has been completed, we plan to commence landscaping and replanting in order to make the property into an industrial park that we as well as the community are proud of.

The final stage of reconstruction will be the remodeling of the existing office space and demolition of two of the abandoned buildings. Presently in the existing office building, most of the windows are gone and the internal walls and floors have been damaged from being exposed to the elements or from vandals. The rebuilding and remodeling will consist of replacing all the windows, rebuilding the interior structures, new wiring, lighting, heating, and plumbing. The exterior of the building will be cleaned and landscaped. The other two building are in such disarray, that they will be demolished.

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

Manufacturing of Tire Derived Fuel, Crumb Rubber and other related recycled rubber products. The facility will also act as the corporate offices for all affiliated companies and main transportation hub for Buffalo Fuel Corp.

4. Will machinery and equipment be acquired and installed?

New: No Yes Type: **Rubber Recycling and Transportation**

Used: No Yes Type: **Rubber Recycling and Transportation**

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

The rubber recycling equipment will be used to recycle car and truck tires into various products, such as Tire Derived Fuel, crumb and mulch rubber that can be used as feed stock for other applications. In addition, our

recycled products can be sold to third party vendors. The equipment also creates by-products such as, scrap metal and fiber. That metal will be sold to local metal scrap companies.

The transportation equipment we be used by Buffalo Fuel Corp to ensure their continued growth within the transportation field, as well as guarantee Alternative Resources Management's control over the collection of waste tires.

5. Project Use

a. What are the principal products to be produced at the Project?

1. Tire Derived Fuel
- 2) Rubber Mulch
- 3) Crumb Rubber
- 4) Crumb Rubber Feed Stock

6. Project Use

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

	%		%
Warehousing	30	Manufacturing	50
Processing		Pollution control	
Office	10	Research & Development	
Retail*		Commercial	
Recreational		Other: Maintenance	10

* 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. 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 see Addendum A attached hereto.

d. 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 X** No. If yes, please explain:

Our current facility no longer can accommodate our needs. Due to the limited size of our property, we are unable to build any additions to our existing facilities. This has stagnated our future growth potential and hampered our ability to create additional jobs.

- e. 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 X** No

If yes, please provide detail:

Our present facility located at 4870 Packard Road does not have the necessary space for us to stay competitive or to expand. The buildings are too small and due to property constraints; there is not enough room to expand our existing manufacturing facility.

The new property and buildings are the only things that will allow us continue to operate in an economically sound manner. Upon completion of this project, we will be able expand and create new manufacturing opportunities for the future. This will lead to additional jobs for our community.

- i. 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 X** No.

(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 X**

Although the project itself is not important enough to cause us to move out of the State of New York, it is important enough to insure that we remain in Niagara County.

If yes, please provide detail: _____

6. Is this a single phase or multi-phase project? Single **X** Multi

Phase I Activities: **Remediation and Environmental Cleanup**

Phase II Activities: **Construction and Renovation**

Phase III Activities: **Installation of Equipment and Startup**

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

Gas:	0	Size:
Electric:	0	Power:
Water:	Available	Size:
Sewer:	Available	Size:
Other (specify):		

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

1. Start date: acquisition or construction of facilities: Early 2008
2. Completion of project facilities: Mid 2008
3. Project occupancy – starting date of operations: November 2008

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

If yes, please provide detail:

We have already purchased the property and surrounding properties located on College Avenue. We have also applied for and been accepted into the Brownfield Cleanup Program.

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

If yes, please provide detail:

We have already started environmental studies and planning for the remediation of the property. By mid January we will be clearing all the vacant land. We have also requested bids on remediation, site drawings, construction, repairing and site planning.

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
Part 360 Permit	DEC	Anticipated 10/2008
Site Approval	Niagara Falls	
Brownfield Cleanup Program	DEC	Accepted
Part 364 Permit	DEC	

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

See Attached Remedial Investigation/Alternatives Analysis Report Work Plan

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

Sublessee name: _____
Present Address: _____
Address: _____
Employer's ID No.: _____

Sublessee is: Corporation Partnership Sole Proprietorship

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 X**

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:

As we have stated earlier, due to the limited space at our present facility we have no ability to expand our current operations. Completion of this project will give us the space we need to continue our growth and expand into new manufacturing, recycling and transportation markets. This will lead to additional job growth within the county and city.

Without this project, we will be forced to cut our present production, as well as employment. The only other alternative will be to move the facility and company outside of Niagara County.

IV. Employment Impact

- A) Will Niagara County contractors and / or sub contractors be utilized for the construction project? **Yes X** No.
- B) What is the estimated number of construction jobs to be created at the project site from **Niagara County: 30 -50**, Erie County _____, Other Areas _____,
- 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	<i>0</i>	<i>0</i>		
Present Part Time	<i>0</i>	<i>0</i>		
Present Seasonal	<i>0</i>	<i>0</i>		
First Year Full Time	<i>17</i>	<i>27</i>	<i>18</i>	<i>62</i>
First Year Part Time	<i>1</i>	<i>2</i>		<i>3</i>
First Year Seasonal				
Second Year Full Time	<i>19</i>	<i>31</i>	<i>24</i>	<i>74</i>
Second Year Part Time	<i>1</i>	<i>3</i>		
Second Year Seasonal				

V. Project Cost Data

- A. Give breakdown of project costs:

**** See Attached Project Budget****

Land	\$1,538,500.00
Buildings: Acquisition	\$
Renovation	\$
New Construction	\$
Demolition	\$3,805,000.00
Utilities and Road	\$91,000.00
Site work and preparation	\$
Acquisition of machinery & equipment	\$
Installation	\$3,375,500.00
Architectural and engineering fees	\$190,000.00
Legal fees	\$
Interest during construction	\$
Other	\$
TOTAL	\$9,000,000.00

Have any of these expenditures been incurred to date? No X Yes If yes, identify:
We already incurred approximately \$8,500.00 in environmental studies, and \$10,000 for the purchase of the land, taxes, and filing fees.

B. Summary of Financing

Total Project Costs	\$9,600,000.00
Amount of Bond or Leaseback financing	\$9,000,000.00
Amount of Conventional financing	\$400,000.00
Equity	\$200,000.00

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

Item	\$
<i>Initial Cleanup of vacant property</i>	\$20,000.00
<i>Site and remediation plans</i>	100,000.00

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

Program	Amount	Status
Brownfield Cleanup Program	Based on Capital Expenditures	Applied For

E. Have financial institutions or potential bond purchasers been approached? No Yes
If yes, please provide detail: **HSBC Bank and M&T Bank**

F. List capital expenditures of the company:

	Past 3 years	Next 3 years (Estimates)
Real Property	\$0	\$1,000.00
Buildings	\$	\$4,000,000.00
Equipment	\$	\$5,000,000.00

VI. Financial and Feasibility Data

A. Describe the need or demand for the product or services to be provided as a result of the project:

B. Has the company utilized bond financing before? No Yes.
If yes, describe when, where and amount:

- C. Provide any marketing, economic and/or feasibility studies that have been developed, particularly for tourist destination facilities.
- D. The following information will be required by the Agency and returned once an action of the Agency has been taken:
 - 1. Financial statements for the last three (3) years;
 - 2. Projections for the next three (3) years including Balance Sheets, Profit and Loss Statements, Cash Flow Statements by quarters, etc.

VII. 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?
To be determined.

- 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 **No X.**

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? \$_____.

- 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: \$_____

b. Mortgage Recording Taxes: \$_____

c. Real Property Tax Exemptions: \$_____

d. Other (please specify):
 _____ \$ _____
 _____ \$ _____

CERTIFICATION

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

- I. I Grant Wooley (name of chief executive officer or other authorized representative of applicant) deposes and says that he/she is the Treasurer _____ (title) of Santarosa Holdings, Inc. and Alternative Resources Management, Inc. (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 \$1,000.00 as a non-refundable processing fee, plus the sum of _____ if Agency assistance in retaining professionals is requested, to be paid upon submission of the Application;

 - (b) Unless otherwise agreed to by the Agency, an amount equal to _____ 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 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.

Santarosa Holdings, Inc. & Alternative
Resources Management, Inc.



Grant Wooley
(name of officer)

Treasurer
(title)

NOTARY

Sworn to before me this 27th day of Dec, 2007



(Signature)

NANCY R. ADAMS
Notary Public, State of NY
Qualified in Niagara County
My Commission Expires
March 27, 2010