

COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION FOR SALE LEASEBACK AGREEMENT

IMPORTANT NOTICE: The answers to the questions contained in this application are necessary to determine your firm's eligibility for financing and other assistance from County of Otsego 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: COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY
189 Main Street, Suite 500
Oneonta, New York 13820
Attention: Chief Executive Officer

This application by applicant respectfully states:

APPLICANT: Northern Eagle Beverages, Inc. _____

APPLICANT'S STREET ADDRESS: 7 Railroad Ave. _____

CITY: Oneonta STATE: NY PHONE NO.: 607-432-
0400 _____

NAME OF PERSON(S) AUTHORIZED TO SPEAK FOR APPLICANT WITH RESPECT TO
THIS APPLICATION: George M. Allen _____

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

NAME OF FIRM: Harlem and Jervis Law Firm _____

NAME OF ATTORNEY: Richard Harlem _____

ATTORNEY'S STREET ADDRESS: 493 Chestnut Street, Suite 2 _____

CITY: Oneonta STATE: NY PHONE NO.: 607-432-3611_

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 (to the extent such expenses are not paid out of the proceeds of the Agency's bonds issued to finance the project). The applicant will also be expected to pay all costs incurred by general counsel and bond counsel to the Agency. The costs incurred by the Agency, including the Agency's general counsel and bond counsel, may be considered as a part of the project and included as a part of the resultant bond issue.
9. The Agency has established an application fee of Two Hundred Dollars (\$200) 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 Agency conditionally approved application	_____, 20__
9. Date scheduled for public hearing	_____, 20__
10. Date Environmental Assessment Form ("EAF") received	_____, 20__
11. Date Agency completed environmental review	_____, 20__
12. Date of final approval of application	_____, 20__

AGENCY FEE SCHEDULE INFORMATION

1. APPLICATION FEE: \$200.00 (Non-refundable)
2. AGENCY FEE:
 - (a) Bond Transactions: ¾ of 1% of bond amount
 - (b) Sale Leaseback Transactions: 1% of Total Project Cost (see page 14) plus annual administrative fee based upon the size and complexity of project reporting
3. AGENCY COUNSEL FEE:
 - (a) \$3,000 minimum agency counsel fee
 - (b) 1% up to and including \$1,500,000
 - (c) 1/2 of 1% for all amounts in excess of \$1,500,000

- (d) \$20,000 maximum agency counsel fee, provided that an additional counsel fee at a rate of \$100/hour may be charged in special circumstances
- (e) disbursements (e.g., photocopying, telephone charges, postage) are charged in addition to the legal fee

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

A. Identity of Company:

1. Company Name: Northern Eagle Beverages, Inc.

Present Address: 7 Railroad Ave. Oneonta NY

Zip Code: 13820

Employer's ID No.: 15-0525837

2. If the Company differs from the Applicant, give details of relationship: NA

3. Indicate type of business organization of Company:

a. ~Corporation. If so, incorporated in what country? USA; What State? New York; Date Incorporated 1949; Type of Corporation? S; Authorized to do business in New York? Yes x; No .

b. ~Partnership. If so, indicate type of partnership ; Number of general partners ; Number of limited partners .

c. ~Sole proprietorship.

4. Is the Company a subsidiary or direct or indirect affiliate of any other organizations (s)? If so, indicate name of related organization(s) and relationship: None

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
Louis B. Hager Jr. 339 Garden Road Palm Beach, Fl.	COB	
George M. Allen 8330 State Hwy 23 Oneonta, NY 13820	President	

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
Louis B. Hager, Jr. GST Trust	599 Lexington Ave. NY NY	65%
Louis B. Hager, Jr.	339 Garden Road, Palm Beach, Fl	25%
George M. Allen	8330 State Hwy 23, Oneonta NY	15%

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

Key Bank

II. DATA REGARDING PROPOSED PROJECT.

A. Description of the Project: (Please provide a brief narrative description of the Project.)

Northern Eagle Beverages, Inc.

Founded by Lou Hager, Jr., in 1986, Northern Eagle Beverages is a wholesale beverages distributor based in Oneonta and serving Otsego, Chenango and Delaware Counties. The company numbers 36 employees and, in the very near term, will be expanding its size, its employee count and its activities. In short order, Northern Eagle will have expanded its operations to capture nearly all of the beer value chain:

- Growing hops
- Harvesting, processing, pelletizing and packaging hops
- Brewing beer, as a NYS Farm Brewery
- Distributing beer and other beverages wholesale
- Selling craft beer and other New York State products at its new retail facility

In 1870, before the hops blight, Otsego County produced 4 ½ million pounds of hops; New York State produced 7/8 of all hops grown in the United States at that time. This year, Hager Hops has planted eight types of hop plant on a sustainably-run hops farm of 20 acres. Hops production has increased dramatically in our area in the past couple of years, and demand for local hops – in particular from the craft brewing industry, which has been growing at 15% or better per year – is increasing.

Northern Eagle's vision is large and inclusive: they offer to process, dry, and pelletize local farmers' hops, and to buy their finished product. Northern Eagle's success is the small farmer's success, not only in hops, but as the company expands through the retail branch of its new facility in Oneonta. As a NYS Farm Brewery, Northern Eagle will support New York agriculture through its required purchases of NYS ingredients; further, the Farm Brewery license will allow the brewer's tasting room to sell other NYS farm-based products (for example, distilled spirits, wines, syrups, cheeses, jams, etc), thereby creating a virtual Farmer's Market every day.

Northern Eagle's Spring 2014 purchase of Cooperstown Brewing Company (which had closed its doors last Fall) was the company's first venture into brewing beer; it has created a new logo for its craft beers and has reintroduced the original recipe for its Old Slugger line. The brewery's Milford location has reopened for tastings and tours, and Northern Eagle has been more than pleasantly surprised by the tourist traffic there. The brewery recognizes the movement toward local products and ingredients, and promotes Otsego County through the *Think Local First* campaign and through its position on the Beverage Trail.

Northern Eagle is making a substantial investment in Otsego County:

- Building an 82,000 square foot distribution center and brewery at a projected cost of \$9.5mm
- Creating both construction jobs and an estimated 10 full-time positions upon completion of the project
- Growing its own hops and supporting the efforts of small hops farmers through free hops processing
- Creating its own craft beers, and selling artisanal foods and other New York State products through its retail arm

Lastly, Northern Eagle has cemented its place in the community through its generous support of Springbrook, Foothills, Friends of Bassett, and the Catskill Area Hospice, among others.

B. Location of the Project:

1. Street Address: 41 Browne Street
2. City of NA
3. Town of Oneonta
4. Village of NA
5. County of Otsego

C. Description of the Project site:

1. Approximate size (in acres or square feet) of the Project site: 11.2 acres . Is a map, survey or sketch of the Project site attached? Yes x; No .
2. Are there existing buildings on the Project site? Yes ; No x.
 - a. If yes, indicate the number of buildings on the site: NA. Also, please briefly identify each existing building and indicate the approximate size (in square feet) of each such building:
 - b. Are the existing buildings in operation? Yes ; No . If yes, describe present use of present buildings: NA
 - c. Are the existing buildings abandoned? Yes ; No . About to be abandoned? Yes ; No . If yes, describe: NA
 - d. Attach photograph of present buildings. NA
3. Utilities serving the Project site:
Water-Municipal: Yes
Other (describe)
Sewer-Municipal: Yes
Other (describe)
Electric-Utility: Yes

Other (describe)
Heat-Utility: NA
Other (describe)

4. Present legal owner of the Project site:
- a. If the Company owns the Project site, indicate date of purchase: August 11, 2013; purchase price: \$ 175,000.
 - 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 option signed with the owner: ; and the date the option expires: .
 - 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;
5. a. Zoning District in which the Project site is located: PDD-1
- 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:
One building of 82,000 square feet
- 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: NA

2. Describe the principal uses to be made by the Company of the building or buildings to be acquired, constructed or expanded: Beer Warehouse, Farm Brewery with tasting room, hops processing and packaging facility

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 x; No _____. If yes, describe the Equipment: Brewing equipment
2. With respect to the Equipment to be acquired, will any of the Equipment be Equipment which has previously been used? Yes x; No _____. If yes, please provided detail: Existing equipment from the Cooperstown Brewing Company, Milford NY
3. Describe the principal uses to be made by the Company of the Equipment to be acquired or installed: Brewing Beer

F. Project Use:

1. What are the principal products to be produced at the Project? Beer, Pelletized Hops
2. What are the principal activities to be conducted at the Project? Beer distribution and beer production

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 x; No _____. If yes, please provide detail: Retail sales of brewed beer, small gifts and other NYS products

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? 10%

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: NA
 - 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: The tasting room will be a major stop on the Cooperstown Beverage Trail

 - 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:

 - 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 _____. 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: NA
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 x ___; No ___. If yes, please explain: Will be moving operations from 7 Railroad Ave, Oneonta NY
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 x ___; No ___. If yes, please provide detail: Old warehouse will be placed up for sale. Old brewery location will remain open as a tasting room
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 on such Project Occupant in its industry? Yes x ___; No ___. If yes, please provide detail: Northern Eagle's current distribution warehouse is already far too small for the business we do; now that we are expanding into hops production and craft beer brewing, it was absolutely necessary to relocate to a much larger space, one that would have easy access for both trucks and consumers, one that was modern with all the necessary equipment and space. Northern Eagle could not maintain, much less expand, its business in our current location and facility.
- 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 x ___. If yes, please provide detail:

10. Will the Project be owned by a not-for-profit corporation? Yes ___; No x __. If yes, please provide detail:

11. Will the Project be sold or leased to a municipality? Yes ___; No x __. If yes, please provide detail:

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 was acquired in 2013.

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

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 x __; No ____. 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.: In the planning stages of the building right now; this month, we have begun to prepare the site by clearing and leveling of the land.

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: 1,150,000: legal fees; land acquisition; and purchase of Cooperstown Brewing Company

H. Agent Status (for sales tax purposes) (See also question B.3 in Part VI below):

1. If the Agency approves the Project, there are two methods that may be used to undertake the Project. The applicant can undertake the Project privately and sell the Project to the Agency upon completion. Alternatively, the applicant can request to

be appointed as "agent" of the Agency, in which case certain laws applicable to public construction may apply to the Project. Does the applicant wish to be designated as "agent" of the Agency for purposes of undertaking the Project? Yes x; No .

2. If the answer to question 1 is yes, does the applicant desire such "agent" status prior to the closing date of the financing? Yes ; No x.

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 ; No x. If yes, please complete the following for each existing or proposed tenant or subtenant:

1. Sub lessee name: NA
Present Address:
City: _____ State: _____ Zip:
Employer's ID No.:
Sub lessee is: _____ Corporation: _____ Partnership: _____ Sole Proprietorship
Relationship to Company:
Percentage of Project to be leased or subleased:
Use of Project intended by Sub lessee:
Date of lease or sublease to Sub lessee:
Term of lease or sublease to Sub lessee:
Will any portion of the space leased by this sub lessee 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 sub lessee.

2. Sub lessee name: NA
Present Address:
City: _____ State: _____ Zip:
Employer's ID No.:
Sub lessee is:
_____ Corporation: _____ Partnership: _____ Sole Proprietorship
Relationship to Company:
Percentage of Project to be leased or subleased:
Use of Project intended by Sub lessee:
Date of lease or sublease to Sub lessee:
Term of lease or sublease to Sub _____ lessee:

Will any portion of the space leased by this sub lessee 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 sub lessee.

3. Sub lessee name: NA
 Present Address:
 City: _____ State: _____ Zip: _____
 Employer's ID No.: _____
 Sub lessee is: ___ Corporation: ___ Partnership: ___ Sole Proprietorship
 Relationship to Company:
 Percentage of Project to be leased or subleased:
 Use of Project intended by Sub lessee:
 Date of lease or sublease to Sub lessee:
 Term of lease or sublease to Sub lessee:
 Will any portion of the space leased by this sub lessee 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 sub lessee.

- B. What percentage of the space intended to be leased or subleased is now subject to a binding written lease or sublease? NA

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.

TYPE OF EMPLOYMENT				
	PROFESSIONAL OR MANAGERIAL	UNSKILLED OR SKILLED	SEMI-SKILLED	TOTALS
Present Full Time	5	23	5	33
Present Part Time	1	0	2	3
Present Seasonal	0	0	2	2
First Year Full Time	5	25	5	35
First Year Part Time	1	0	2	3
First Year Seasonal	0	0	2	2
Second Year Full Time	6	25	7	38
Second Year Part Time	1	0	3	4
	0	0	3	3

Second Year Seasonal				

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:

<u>Description of Cost</u>	<u>Amount</u>
Land	\$ <u>175,000</u>
Buildings	8,500,000
Machinery and equipment costs	300,000
Utilities, roads and appurtenant costs	100,000
Architects and engineering fees	250,000
Costs of Bond issue (legal, financial and printing)	75,000
Construction loan fees and interest (if applicable)	150,000
Other (specify)	
_____	\$ _____
—	\$ _____
_____	\$ _____
—	

—	
TOTAL PROJECT COSTS	\$9,550,000

B. Have any of the above expenditures already been made by the applicant? Yes x; No _____. If yes, indicate particulars. Land purchase of \$175,000

VI. FINANCIAL ASSISTANCE EXPECTED FROM THE AGENCY.

A. Financing

1. Is the applicant requesting that the Agency issue bonds to assist in financing the Project? Yes ___; No x_. If yes, indicate:
 - a. Amount of loan requested: _____ Dollars; and
 - b. Maturity requested: _____ Years.
2. If the answer to question 1 is yes, is the interest on such bonds intended to be exempt from federal income taxation? Yes ___; No ___.
3. If the answer to question 2 is yes, will any portion of the Project be used for any of the following purposes:
 - a. retail food and beverage services: Yes ___; No ___
 - b. automobile sales or service: Yes ___; No ___
 - c. recreation or entertainment: Yes ___; No ___
 - d. golf course: Yes ___; No ___
 - e. country club: Yes ___; No ___
 - f. massage parlor: Yes ___; No ___
 - g. tennis club: Yes ___; No ___
 - h. skating facility (including roller): Yes ___; No ___
 - i. racquet sports facility (including handball and racquetball court): Yes ___; No ___
 - j. hot tub facility: Yes ___; No ___
 - k. suntan facility: Yes ___; No ___
 - l. racetrack: Yes ___; No ___
4. If the answer to any of the above questions contained in question 3 is yes, please furnish details on a separate attachment.

B. 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 ___; No x_.
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? \$ 6,500,000_____.

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? \$ 270000.

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:	\$ <u>270000</u>
b.	Mortgage Recording Taxes:	\$ <u>48750</u>
c.	Real Property Tax Exemptions:	\$ <u>1154533.68</u>
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 x; No _____. If yes, please explain how the request of the applicant differs from the Agency's Uniform Tax-Exemption Policy: Differs in rate and number of years

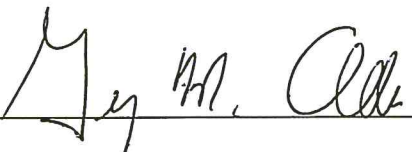
C. Project Benefit Information. Provide the Agency with information so that the Agency can perform a cost/benefit analysis of undertaking the Project. Such information should consist of a list and detailed description of the benefits of the Agency undertaking the Project (e.g., number of jobs created, types of jobs created, economic development in the area, etc.). Such information should also consist of a list and detailed description of the costs of the Agency undertaking the Project (e.g., tax revenues lost, buildings abandoned, etc.).

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:

NORTHSTAR BAGGING BUSINESS, INC.
(Applicant)

BY: 
GEORGE M. ALLEN

NOTE: APPLICANT MUST COMPLETE THE APPROPRIATE VERIFICATION APPEARING ON PAGES 18 THROUGH 20 HEREOF BEFORE A NOTARY PUBLIC AND MUST SIGN AND ACKNOWLEDGE THE HOLD HARMLESS AGREEMENT APPEARING ON PAGE 21.

VERIFICATION

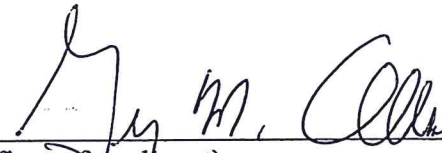
(If Applicant is a Corporation)

STATE OF)
) SS.:
COUNTY OF)

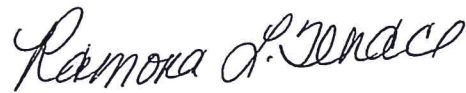
George M. Allen _____ deposits and says that he is the
(Name of officer of applicant)
President _____ of Northern Eagle Beverages, Inc.
_____, (Title) (Company Name)

the corporation named in the attached 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.

RAMONAL TENACE
Notary Public, State of New York
Otsego County Reg. No. 01TE0115521
My Commission Expires Sept. 7, 2016


(officer of applicant)

Sworn to before me this 15th
day of August, 2014.


Notary Public

VERIFICATION

(If applicant is partnership)

STATE OF)
) SS.:
COUNTY OF)

_____, deposes and says that he is one of the
(Name of Individual)
members of the firm of _____, the partnership named in the attached
(partnership 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. 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.

Sworn to before me this _____
day of _____, 20__.

Notary Public

VERIFICATION

(If applicant is sole proprietor)

STATE OF)
) SS.:
COUNTY OF)

_____, deposes and says that he has read the foregoing
(Name of Individual)

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.

Sworn to before me this _____
day of _____, 20__.


Notary Public

NOTE: THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS THE
HOLD HARMLESS AGREEMENT APPEARING ON PAGE 21 IS SIGNED BY THE
APPLICANT.

HOLD HARMLESS AGREEMENT

Applicant hereby releases County of Otsego 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 issue of bonds requested therein are favorably acted upon by the Agency, (B) the Agency's financing 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 find buyers willing to purchase the total bond issue requested, 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.

NORTHERN BAKE BEVERAGES, INC
(Applicant)

BY: 
GEORGE M. ALLEN

Sworn to before me this ____
day of _____, 20__.

Notary Public