

TROY INDUSTRIAL DEVELOPMENT AUTHORITY

APPLICATION FOR FINANCIAL ASSISTANCE

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 the Troy Industrial Development Authority. These answers will also be used in the preparation of papers in this transaction. Accordingly, an officer or other employee of your firm who is thoroughly familiar with the business and affairs of your firm and who is thoroughly familiar with the proposed project should answer all questions accurately and completely. This application is subject to acceptance by the Authority.

TO: TROY INDUSTRIAL DEVELOPMENT AUTHORITY
City Hall
One Monument Square
Troy, New York 12180
Attention: Chairman

This application by applicant respectfully states:

APPLICANT: Troy Living, LLC

APPLICANT'S STREET ADDRESS: c/o J.W. Pfeil & Company, Inc., 340 Broadway

CITY: Saratoga Springs STATE: NY 12866 PHONE NO.: 518-581-8280

NAME OF PERSON(S) AUTHORIZED TO SPEAK FOR APPLICANT WITH RESPECT
TO THIS APPLICATION: Jeffrey or Deane Pfeil, Stephen Reilly

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

NAME OF FIRM: Shanley, Sweeney, Reilly and Allen, P.C.

NAME OF ATTORNEY: Stephen Reilly

ATTORNEY'S STREET ADDRESS: 10 Thurlow Terrace

CITY: Albany STATE: NY PHONE NO: 518-463-1415

**NOTE: PLEASE READ THE INSTRUCTIONS ON PAGE 2 BEFORE FILLING OUT
THIS APPLICATION.**

INSTRUCTIONS

1. The Authority will not approve any application unless, in the judgment of the Authority, 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 that 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 Authority at the address indicated on the first page of this application.
6. The Authority will not give final approval to this application until the Authority receives a completed environmental assessment form concerning the Project that 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 Authority (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 Authority 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 Authority'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 Authority. The costs incurred by the Authority, including the Authority'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 Authority has established an application fee of Two Hundred Fifty Dollars (\$250) to cover the anticipated costs of the Authority in processing this application. A check or money order made payable to the Authority must accompany each application. **THIS APPLICATION WILL NOT BE ACCEPTED BY THE AUTHORITY UNLESS ACCOMPANIED BY THE APPLICATION FEE.**
10. The Authority has established a project fee for each project in which the Authority participates. **UNLESS THE AUTHORITY 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 AUTHORITY .**

FOR AUTHORITY USE ONLY

1. Project number _____
2. Date application received by Authority _____
- 3 Date application referred to attorney for review _____
- 4 Date copy of application mailed to members _____
- 5 Date notice of Authority meeting on application posted _____
- 6 Date notice of Authority meeting on application mailed _____
- 7 Date of Authority meeting on application _____
8. Date Authority conditionally approved application _____
- 9 Date scheduled for public hearing _____
10. Date Environmental Assessment Form (EAF) received _____
11. Date Authority completed environmental review _____
12. Date of final approval of application _____

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

A. Identity of Company:

1. Company Name: Troy Living, LLC

Present Address: c/o J.W. Pfeil & Company, Inc., 340 Broadway, Saratoga Springs, NY 12866

Employer's ID No: Haven't received yet 20-2773021

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

3. Indicate type of business organization of Company:

Corporation. If so, incorporated in what country? _____;

What State? _____; Date Incorporated _____;

Type of Corporation? _____; Authorized to do business in New York?

Yes No _____.

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

Limited Liability Company. If so, organized in what State? NY.

Authorized to do business in New York? Yes No _____.

Sole proprietorship.

4. Is the Company a subsidiary or direct or indirect affiliate of any other organization(s)? If so, indicate name of related organization(s) and relationship: N.A.

B. Management of Company:

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

NAME AND ADDRESS	OFFICE HELD	OTHER PRINCIPAL BUSINESS
1) Jeffrey Pfeil, Managing Member		President, J.W. Pfeil & Company, Inc.
2) Deane Pfeil, Managing Member		Vice President, J.W. Pfeil & Company
Address for both: 340 Broadway, Saratoga Springs, NY 12866		

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 question 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 stock traded:

2. If no, list all stockholders, partners or members having a 5 % or more interest in the Company:

Jeffrey Pfeil	340 Broadway, Saratoga Springs	50%
Deane Pfeil	340 Broadway, Saratoga Springs	50%

D. Company's principal bank(s) account: Not yet established

II. DATA REGARDING PROPOSED PROJECT

A. Description of the Project: (Please provide a brief narrative description of the Project.) Acquisition, reconstruction and equipping of former Stanley's Building into approximately 7,200 square feet of retail space on first floor and a total of approximately 14-20 residential units on upper four floors together with basement parking. Also, reconstruction of existing sidewalks and curbs on State and Third Streets.

B. Location of the Project: 63 Third Street, Troy, NY 12180

D. Description of the Project site:

1. Approximate size (in acres of square feet) of Project site:
.22 acre.

Is a map, survey or sketch of the Project site attached? Yes No

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

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

There is one five-story building that is approximately 44,194 square feet including mezzanine.

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

c) Are the existing buildings ~~abandoned~~-vacant? Yes X No . About to be abandoned? N.A. Yes No . If yes, describe:

Building has been essentially vacant since around 1989 to the best of our knowledge.

d) Attach photograph of present buildings. See attached.

3. Utilities serving the Project site:

Water:

Municipal
 Other, describe

Sewer

Municipal
 Other, describe

Electricity

Utility
 Other, describe

Heat

Utility
 Other, describe

4. Present legal owner of the Project site: State and Third, LLC

a) If the Company owns the Project site, indicate date of purchase: N.A. purchase price: N.A.

b) If Company does not own the Project site, does Company have an option contract signed with the owner to purchase the Project site? Yes No If yes, indicate date option contract signed with the owner: and the date the option contract expires:

Applicant has contract dated 10/23/04.

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. Zoning District in which the Project site is located: B-4 Central 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:

None that we are aware of.

D. Description of Proposed Construction:

1. Does part of the Project consist of the acquisition or construction of a new building or buildings? Yes No X.
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: Reconstruction of the former Stanley's Building into retail space on the first floor and residential units on the upper floors per II A.
3. Describe the principal uses to be made by the Company of the building or buildings to be acquired, constructed or expanded: Retail and multifamily residential.

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:
Typical fixtures and furnishings and equipment for retail and residential use.
2. With respect to the Equipment to be acquired, will any of the Equipment be Equipment that has previously been used? Yes No X* If yes, please provided detail:
* to best of our knowledge.
3. Describe the principal uses to be made by the Company of the Equipment to be acquired or installed: Typical uses in residential and retail.

However, this project has some extraordinary existing conditions to overcome before we can proceed on the restoration and redevelopment of the interior. These conditions include:

1. Reconstruction of the sidewalks and subterranean vaults along the total State Street and Third Street frontages estimated to cost between \$150,000-200,000;
2. The regrading of the alley to accommodate access to the basement parking garage;
3. And complete façade restoration and complete window restoration or replacement;

We, therefore, respectfully, request the following assistance from the IDA:

1. Exemption from NYS Sales and Compensating Use Taxes of approximately \$46,680
2. Exemption of mortgage recording taxes of approximately \$6,000
3. A Payment In Lieu Of Taxes (PILOT) agreement that will allow some relief while the commercial space and basement parking is being redeveloped and leased and the residential floors are being developed. This will help keep the initial occupancy costs down and make the spaces more marketable. Once the businesses/occupants are established the increases in taxes should be more affordable for them.

The current assessment is \$52,600 and the total Property and School taxes are \$11,399.47 (a/o March '05). We propose that the PILOT be for a ten year term and that the total taxes paid for the first year be \$6,000 and that for subsequent years the amount increase 10% per year, as follows (but never to exceed the taxes based on actual assessment):

YEAR	Total Taxes
1	\$6,000
2	\$6,600
3	\$7,260
4	\$7,986
5	\$8,785
6	\$9,663
7	\$10,629
8	\$11,692
9	\$12,862
10	\$14,148

We are not seeking a bond issue and will be securing conventional construction financing for around \$3.5 million.

II A

F. Project Use:

1. What are the principal products to be produced at the Project: N.A.
2. What are the principal activities to be conducted at the Project: Retail and residential
3. Does the Project include facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities? Yes No If yes, please provide detail: Approximately 7,500 square feet of retail use.
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? Less than 30 %
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:
 - a. Will the Project be operated by not-for-profit corporation? Yes No If yes, please explain: N.A.
 - 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? N.A. Yes No If yes, please explain: T.B.D.
 - c. Would the Project occupant, but for the contemplated financial assistance from the Authority, locate the related jobs outside the State of New York? N.A. Yes No If yes, please explain: T.B.D.
 - d. Is the predominant purpose of the Project to make available goods or services that would not, but for the Project, be reasonably 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: N.A. Higher-end Res. Retail T.B.D.

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 Public Authorities 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 (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: N.A.

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

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

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

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 No X. If yes, please provide detail: N.A.

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

G. Project Status:

1. If the Project includes the acquisition of any land or buildings, have any steps been taken toward acquiring same? Yes No If yes, please discuss in detail the approximate stage of such acquisition: Purchase contract signed and dated 10/23/04.
2. If the Project includes the acquisition of any Equipment, have any steps been taken toward acquiring same? Yes No If yes, please discuss in detail the approximate stage of such acquisition:
3. If the Project involves the construction or reconstruction of any building or other improvement, has construction work on any such building or improvement begun? Yes No If yes, please discuss in detail the approximate extent of construction and the extent of completion. Indicate in your answer whether such specific steps have been completed as site clearance and preparation; completion of foundations; installation of footings, etc.
4. Please indicate amount of funds expended on the Project by the Company in the past three (3) years and the purposes of such expenditures: N.A.

H. Agent Status for sales tax purposes (See question B.3 in Part V1 below):

1. If the Authority 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 Authority upon completion. Alternatively, the applicant can request to be appointed as "agent" of the Authority, 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 Authority for purposes of undertaking the Project? Yes 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 .

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 . If yes, please complete the following for each existing or proposed tenant or subtenant: No tenants have been identified at this time.

1. 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 . If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.

2. Sublessee Name:

Present Address:

City: State: Zip:

Employer's ID No:

Sublessee is: Corporation Partnership Sole
Proprietorship

Relationship to Company:

Percentage of Project to be leased or subleased:

Use of Project intended by Sublessee:

Date of lease or sublease to Sublessee:

Term of lease or sublease to Sublessee:

Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project?

Yes No . If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.

3. Sublessee Name:

Present Address:

City: State: Zip:

Employer's ID No:

Sublessee is: _____ Corporation _____ Partnership _____ Sole Proprietorship

Relationship to Company:

Percentage of Project to be leased or subleased:

Use of Project intended by Sublessee:

Date of lease or sublease to Sublessee:

Term of lease or sublease to Sublessee:

Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project?

Yes No . If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.

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

IV. EMPLOYMENT IMPACT.

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

TYPE OF EMPLOYMENT*

	PROFESSIONAL OR MANAGERIAL	UNSKILLED OR SKILLED	SEMI-SKILLED	TOTALS
Present Full Time	0	0	0	0
Present Part Time	0	0	0	0
Present Seasonal	0	0	0	0
First Year Full Time	5	5	5	15
First Year Part Time		5	5	10
First Year Seasonal			5	5
Second Year Full Time	5	6	6	17
Second Year Part Time		6	6	12
Second Year Seasonal		5	5	10

* These are estimates based upon retail uses.

V. PROJECT COST.

A. Anticipated Project Costs. State the costs reasonably necessary for the acquisition for 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 (Purchase of land and building)	\$600,000 est
Buildings (renovation and fit-up)	2,700,000 est
Machinery and equipment costs	550,000 est
Utilities, roads and appurtenant costs	250,000 est
Architects and engineering fees	190,000 est
Costs of Bond issue (legal, financial and printing)	N.A. because not seeking bond issue
Construction loan fees and interest (if applicable)	200,000 est
Other (specify)	
TOTAL PROJECT COSTS	\$4,490,000 est

B. Have any of the above expenditures already been made by the applicant? Yes No _____. If yes, indicate particulars. Downpayments, legal work and code and engineering studies.

VI. FINANCIAL ASSISTANCE EXPECTED FROM THE AUTHORITY.

A. Financing

1. Is the applicant requesting that the Authority issue bonds to assist in financing the Project? Yes No If yes, indicate:
 - a. Amount of loan requested:
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 ____ N.A.
3. If the answer to question 2 is yes, will any portion of the Project be used for any of the following purposes: N.A.
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 Authority? Yes No _____. If yes, is the real property tax exemption being sought consistent with the Authority's Uniform Tax Exemption Policy? Yes No
2. Is the applicant expecting that the financing of the Project will be secured by one or more mortgages? Yes No _____. If yes, what is the approximate amount of financing to be secured by mortgages? \$600,000

We also expect to secure a construction loan estimated at around \$3,500,000. *, v's net exemption*

3. Is the applicant expecting to be appointed agent of the Authority for purposes of avoiding payment of N. Y.S. Sales Tax or Compensating Use Tax? Yes No _____. If yes, what is the approximate amount of purchases that the applicant expects to be exempt from the N. Y.S. Sales and Compensating Use Taxes? \$1,167,000

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

- a) N. Y.S. Sales and Compensating Use Taxes: \$46,680 est
- b) Mortgage Recording Taxes \$6,000 est
- c) Real Property Tax Exemptions:

The current assessment is \$52,600 and the total Property and School taxes are \$11,399.47 (a/o March '05). We propose that the PILOT be for a ten year term and that the total taxes paid for the first year be \$6,000 and that for subsequent years the amount increase 10% per year, as follows (but never to exceed the taxes based on actual assessment):

YEAR	Total Taxes
1	\$6,000
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3	\$7,260
4	\$7,986
5	\$8,785
6	\$9,663
7	\$10,629
8	\$11,692
9	\$12,862
10	\$14,148

- d) Other (please specify): N.A.

5. Are any of the tax-exemptions being sought in connection with the Project inconsistent with the Authority's Uniform Tax exemption Policy? Yes No If no, please explain how the request of the applicant differs from the Authority's Uniform Tax-Exemption Policy: NOT SURE ABOUT THIS ONE

VII. REPRESENTATIONS BY THE APPLICANT

The applicant understands and agrees with the Authority as follows:

A. Job Listings. In accordance with Section 1967-a(2) of the New York Public Authorities Law, the applicant understands and agrees that, if the Project receives any Financial Assistance from the Authority, except as otherwise provided by collective bargaining agreement, 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) ("JTP A") in which the Project is located.

B. First Consideration for Employment: In accordance with Section 1967-a(2) of the New York Public Authorities Law, the applicant understand and agrees that, if the Project receives any Financial Assistance from the Authority, except as otherwise provided by collective bargaining agreements, where practicable, the applicant will first consider persons eligible to participate in JTP A programs who shall be referred by the JTP A Entities for new employment opportunities created as a result of the Project.

C. Annual Sales Tax Filings: In accordance with Section 1964-a(9) of the New York Public Authorities Law, the applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Authority, in accordance with Section 1964-a(9) of the Public Authorities 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 received any Financial Assistant from the Authority, the applicant agrees to file, or cause to be filed, with the Authority, 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 Authority a list of the members, officers and employees of the Authority. No member, officer or employee of the Authority has an interest, whether direct or indirect, in any transaction contemplated by this Applicant, except as hereinafter described:

Troy Living, LLC

(Applicant)

By:

Jeffrey W. Pfeil, Member

NOTE: APPLICANT MUST COMPLETE THE APPROPRIATE VERIFICATION APPEARING ON PAGES 17 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 Limited Liability Company)

STATE OF New York)
) ss.:
COUNTY OF Schenectady)

Jeffrey W. Pfeil deposes and says that he is one of the members of the firm of Troy Living, LLC, the limited liability company

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. 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 limited liability company.

Sworn to before me this

21 day of April, 2005

Jeffrey G. L

Jennifer J. Antpham
Notary Public

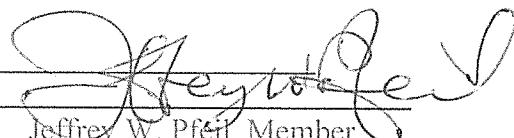
JENNIFER L. SUTPHEN
Notary Public, State of New York
Reg. #01SU5086042
Qualified in Saratoga County
My Commission Expires 10/6/20

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

HOLD HARMLESS AGREEMENT

Applicant hereby releases Troy Industrial Development Authority and the members, officers, servants, agents and employees thereof (hereinafter collectively referred to as the "Authority") from, agrees that the Authority shall not be liable for and agrees to indemnify, defend and hold the Authority harmless from and against any and all liability arising from or expense incurred by (A) the Authority's examination and processing of, and action pursuant to or upon, the attached Applicant, 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 Authority, (B) the Authority's financing of the Project described therein and (C) any further action taken by the Authority 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 Authority or the Applicant are unable to find buyers willing to purchase the total bond issue requested, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Authority, its agents or assigns, all actual costs incurred by the Authority in the processing of the Application, including attorneys' fees, if any.

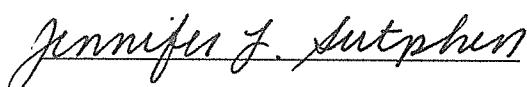
Troy Living, LLC

By: 

Jeffrey W. Pfeil, Member

Sworn to before me this

21 day of April, 2005



Notary Public

JENNIFER L. SUTPHEN
Notary Public, State of New York
Reg. #01SU5086042
Qualified in Saratoga County
My Commission Expires 10/6/05