

Application To
CITY OF HORSELL INDUSTRIAL DEVELOPMENT AGENCY

For
FINANCIAL ASSISTANCE**

(**Where necessary, provide information as properly labeled attachment. Example: I, A, 1, etc.)

I. Applicant Information

A. General

- 1. Name: Specialty Retailers, Inc.
- 2. Address: 10201 S. Main Street, Houston, Texas 77025
- 3. Federal ID#: _____
- 4. Website: www.stagestores.com
- 5. Contact Person(s): Mel Ward
 - (a) Title: Sr. Vice President - Real Estate
 - (b) Telephone: (713) 663-9806
 - (c) Facsimile: (713) 663-9814
 - (d) Email: mward@stagestores.com

B. Business Structure

- 1. Corporation
 - (a) Date of Incorporation January 30, 1928
 - (b) State of Incorporation Texas
 - (c) NY Authority yes no
(provide certification)
 - (d) Public Corporation yes no
 - (e) Provide list by name and address of all affiliated entities - **NONE**
 - (f) Provide names and addresses of all Officers
 - (g) Provide names and addresses of Board of Directors
 - (h) Provide names and addresses of Shareholders holding more than 15% - **NONE**

Stage Stores, Inc.com
Investors Relations
Corporate Governance

- 2. LLC/LLP
 - (a) Date of Organization _____
 - (b) State of Organization _____
 - (c) NY Authority yes no
(provide certification)
 - (d) Managed by managers members
 - (e) Number of Managers _____
 - (f) Number of Members _____
 - (g) Provide list by name and address of all affiliated entities

3. Partnership
- (a) General _____
- (b) Limited _____
- (c) Date of formation _____
- (d) State of formation _____
- (d) NY Authority yes no
(provide certification)
- (e) Number of general partners _____
- (f) Number of limited partners _____
- (g) Provide list by name and address of all affiliated entities _____

4. Sole Proprietorship
d/b/a certificate filed yes no
(provide certification)

C. Professional Representatives

1. Counsel

- (a) Firm Name Locke Lord LLP
- (b) Principal Attorney Douglas A. Yeager
- (c) Address 600 Travis, Suite 2800, Houston, Texas 77002
- (d) Telephone (713) 226-1335
- (e) Facsimile (713) 229-2559
- (f) Email dyeager@lockelord.com

2. Architect/Engineer (if applicable)

- (a) Firm Name Store Planning, Inc.
- (b) Principal Ray Edwards
- (c) Address 3080 Senna Drive, Matthews, North Carolina 28105
- (d) Telephone (704) 841-7288
- (e) Facsimile _____
- (f) Email _____

3. Contractor (if applicable)

- (a) Firm Name _____
- (b) Principal _____
- (c) Address _____
- (d) Telephone _____
- (e) Facsimile _____
- (f) Email _____

4. Other

- (a) Firm Name _____
- (b) Principal _____
- (c) Address _____
- (d) Telephone _____
- (e) Facsimile _____
- (f) Email _____

II. **PROJECT**

A. **Site**

1. Location 33 Broadway, Hornell, New York 14843
2. Tax ID Number _____
3. Current Owner
 - (a) Name David A. Shults and Barbara L. S. Finch
 - (b) Address 9 Seneca Street, Hornell, New York 14843
4. Approximate Lot Size 1/2 Acre
5. Current Use Retail Store
6. Utilities on Site
 - Water
 - Sanitary/Storm Sewer
 - Gas
 - Electric
7. Existing Improvements (describe) Commercial building containing 25,748 square feet

8. Property is to be Acquired Leased
9. Zoning
 - (a) Current Commercial
 - (b) Proposed _____
 - (c) Variance Needed yes no
10. Regulatory Permits needed yes no
(if yes list) Building Permit Only

11. Local Municipal Approval Received yes no

B. **Project Description**

1. Attach a detailed narrative describing the proposed project and the use of the facility upon acquisition and completion for which financial assistance is sought.
2. Proposed start date Estimated to be mid-May 2013
3. Proposed completion date December 31, 2013

4. Will project result in abandonment of a facility located in New York State? yes no
5. Will project result in relocation of jobs from other region(s) of New York State? yes no
6. If answer to #4 and/or #5 is "yes," attach a narrative statement indicating how project would prevent applicant from locating project in another state or how project is needed to prevent harm to applicant's competitive position.

C. Project Costs (estimated)

1. Acquisition	
(a) Land	\$ 400,000.00
(b) Buildings	\$ _____
(c) Equipment	\$ _____
(d) Other	\$ _____
2. Improvements	
(a) Existing Structures	\$ 735,000.00
(b) New Structures	\$ _____
(c) New Equipment	\$ _____
(d) Other	\$ _____

D. Project Benefits (estimated)

1. Construction Jobs	<u>20</u>
2. Full-time Jobs Created Previous Year	<u>4 Full Time/9 Part Time</u>
(a) Start year	_____
(b) Three Year	_____
(c) Five Year	_____
(d) Project Completion	<u>6 Full Time/14 Part Time</u>
3. Estimate of jobs to be retained	<u>4 Full Time/9 Part Time</u>
4. # of FTE's before IDA status	<u>8</u>
5. Salary Information	
(a) Avg. estimated salary of jobs to be created	<u>\$ 14K-36K</u>
(b) Avg. estimated salary of jobs to be retained	<u>\$ 14K-36K</u>
7. Private Funds to be Invested in Project	<u>\$ 835,000</u>
8. Other Benefits (list)	
_____	\$ _____
_____	\$ _____
_____	\$ _____

E. Incentive Valuation

1. Financial Assistance Sought
- | | | |
|-------------------------------|------------------|---------------------------|
| (a) Total Sales Tax Exemption | | \$ _____ |
| (1) Facility Construction | \$ <u>15,000</u> | |
| (2) Fixtures/Equipment | \$ <u>27,000</u> | |
| (b) Mortgage Tax Exemption | | \$ <u>N/A</u> |
| (c) Property Tax Abatement | | \$ <u>2% CAP-20 Years</u> |
2. Will Applicant proceed with proposed project without IDA financial assistance? yes no**
(**If no, attach detailed narrative setting forth reasons why.)
3. Existing taxes on land/building \$ 13,375.00
4. Estimated taxes on land/building without abatement (when project completed) \$ _____
6. Estimated new tax revenue with abatement
- | | |
|---------------|----------|
| a. First Year | \$ _____ |
| b. Fifth Year | \$ _____ |

III. 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 Workforce Development programs who shall be referred by the Workforce Development 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, with a copy to the Agency, 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. The Chief Executive Officer shall submit to the Agency, on or prior to February 1 of each year, a written certification setting forth:
- Number of full time employees at the Project location in the preceding calendar year;
 - Number of part time employees at the Project location in the preceding calendar year;
 - Gross payroll of all employees at the Project location in the preceding calendar year.

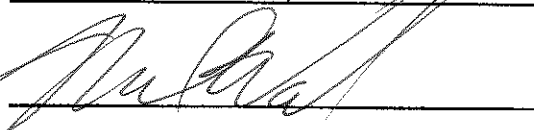
- E) Suspension/Recovery of Incentives: The Applicant understands, covenants and agrees that it will be required to maintain certain future performance levels of the Project as part of the Agency's consideration of granting all or part of the requested Financial Assistance for the Project. The Applicant further understands, covenants and agrees that Financial Assistance incentives granted, and to be granted to the Applicant, may be suspended and/or recovered in full, or in part, by the Agency if the Applicant shall fail to meet or maintain the required performance levels as determined by the Agency and accepted by the Applicant in consideration of the Agency's Financial Assistance to the Project.
- F) 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, officers or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:
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The Applicant and the individual executing this Application on behalf of the Applicant acknowledge that the Agency will rely on the representations made herein when acting on this Application and hereby represent that the statements made herein 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 not misleading.

Applicant: SPECIALTY RETAILERS, INC.

By: MEL WARD
(Name)

Title: SR. V.P. - REAL ESTATE

Signature: 

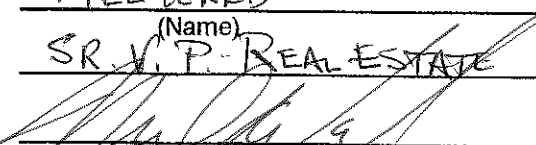
CERTIFICATION

Michael L. Glazer

(Name of chief executive officer of company submitting application) deposes and says that (s)he is the Chief Executive Officer (title) of SPECIALTY RETAILERS, INC. (company name), the Applicant named in the attached application; that (s)he has read the foregoing application and knows the contents thereof and that the same is true to his/her knowledge.

Deponent further says that the reason this verification is being made by the deponent and not by SPECIALTY RETAILERS, INC. (company name) is because said company is a Texas corporation. The grounds of deponent's belief relative to all matters in said 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 this application as well as information acquired by deponent in the course of his/her duties as an officer of said company and from the books and papers of said company.

As an officer of said company (hereinafter referred to as the "Applicant"), deponent acknowledges and agrees that Applicant shall be and is responsible for all costs incurred by the City of Hornell Industrial Development Agency (hereinafter referred to as the "Agency") acting on behalf of Applicant in connection with this application and all matters relating to the issuance of bonds and/or the provision of financial assistance to which this application relates. If, for any reason whatsoever, Applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper, or requested action or withdraws, abandons, cancels, or neglects the application or, in the case of a bond transaction, if Applicant is unable to find buyers willing to purchase the total bond issue, then upon presentation of an invoice, Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred with respect to the application up to that date and time, including fees to bond or transaction counsel for the Agency and fees of general counsel for the Agency. Upon the successful conclusion and sale of the bond issue or other transaction contemplated herein, the Applicant shall pay to the Agency an administrative fee set by the Agency in accordance with its fee schedule in effect on the date of the foregoing application, which amount is payable not later than closing. The Applicant understand that the Agency's bond counsel's fees, general counsel's fees and administrative fee are considered issuance expenses and, therefore, can only be paid for or reimbursed out of the proceeds of any resultant tax-exempt bond issue up to an aggregate amount not exceeding 2% of the face amount of such tax-exempt issue and any amounts in excess thereof must be paid from fund of the Applicant.

Applicant: SPECIALTY RETAILERS, INC.
By: MEL WARD
(Name)
Title: S.R.V.P. REAL ESTATE
Signature: 


HOLD HARMLESS AGREEMENT

Applicant hereby releases the CITY OF HORNELL INDUSTRIAL DEVELOPMENT AGENCY and further the members, officers, servants, agents and employees thereof (the "Agency") from 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 (i) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other assistance requested therein are favorably acted upon by the Agency, (ii) the Agency's acquisition, construction and/or installation of the Project described therein and (iii) 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.

Applicant: SPECIALTY RETAILERS, INC.

By: MEL WARD
(Name)

Title: SR. V.P. - REAL ESTATE

Signature: 

This Application should be submitted with a \$350.00 application fee to the City of Hornell Industrial Development Agency, 40 Main Street, Hornell, NY 14843, Attn: James W. Griffin, Executive Director. Fee waived by Jim Griffin 3/6/2013

The Agency will collect a 1% fee of the total project cost at the time of closing. A declining scale is utilized after the project cost exceeds \$10 million.