
INDUSTRIAL REVENUE BONDS

AND

TAX LEASE PROGRAM

APPLICATION

for assistance through

the
County of Chautauqua
Industrial Development Agency

County of Chautauqua Industrial Development Agency
200 Harrison Street
Jamestown, New York 14701

Phone: 716-664-3262

Fax: 716-664-4515

**Application for Financial Assistance
through the
County of Chautauqua
Industrial Development Agency**

The information listed on this form is necessary to determine the eligibility of the project applicant. Please fill in all blanks, using "NONE" or "NOT APPLICABLE" where necessary. If an estimate is given, put "EST" after the figure. Attach additional sheets if necessary. All information completed with this form will be treated confidentially. This application is only for the purpose of determining whether the applicant is eligible for consideration by the Board of Directors of the County of Chautauqua Industrial Development Agency. Return eight (8) copies of this application to the County of Chautauqua Industrial Development Agency at the address listed on the cover of this document.

PART 1

A. APPLICANT

Federal ID # 16-0761927

Company Name: Newbrook Machine Corporation

Office Address: 16 Mechanic Street, PO Box 231
Silver Creek, NY 14136-0231

Telephone: 716-934-2644

Company officer completing this application:

Name: P.J. Azzarella

Title: CFO

1. Number of locations of present business facilities:

- a. County of Chautauqua: 1
- b. New York State: 1
- c. Outside New York State: 0

2. Business Organization (check appropriate categories):

Corporation Partnership

Sole Proprietorship Subchapter S

Other (Specify)

3. Is business publicly or privately held? Public Private

4. List principal stockholders and percentage of ownership if applicable:

<u>Name</u>	<u>Percentage</u>	<u>Home Address</u>
Douglas A Newman	50	1292 Shore Drive Silver Creek, NY 14136-9623
Christopher J Lanski	50	21 Martha's Vineyard Fredonia, NY 14063

5. Is the business a subsidiary of, or affiliated directly or indirectly with any other organization? Yes No If "Yes" indicate relationship and name and address of the related organization(s) on a separate sheet.

Excelco Developments, Inc. – Commonly Owned Sister Company
65 Main Street, PO Box 230
Silver Creek, NY 14136-0230

Chautauqua Equipment, LLC – Commonly Owned Equipment Holding Company
PO Box 230
Silver Creek, NY 14136-0230

Chautauqua Realty Associates, LLC – Commonly Owned Land Holding Company
PO Box 230
Silver Creek, NY 14136-0230

6. Complete the following information:

<u>Officers</u>	<u>Name</u>	<u>Address</u>	<u>Social Security Number</u>	<u>Other Principal Business Affiliations</u>
President	Christopher J Lanski	21 Martha's Vineyard Fredonia, NY 14063		Excelco Developments, Inc. Chautauqua Equipment Chautauqua Realty Assoc.
Executive VP	Douglas A Newman	1292 Shore Drive Silver Creek, NY 14136-9623		Excelco Developments, Inc. Chautauqua Equipment Chautauqua Realty Assoc.

B. References (these will be contacted):

1. Banking (List names of banks, account officers address and telephone number):

M & T Bank – Dave Notaro – Vice President
10 S. Main Street
Silver Creek, NY 14136
716-934-2666
2. Business Suppliers (List three largest accounts – names, addresses, telephone numbers, and list suppliers' terms of sale):
 - o Dubose National Energy, 900 Industrial Drive, Clinton, NC 28328, 910-590-2151, Net 30
 - o Scott Forge, 8001 Winn Road, Spring Grove, IL 60081-0008, 847-587-1000, Net 30
 - o Lenape Forge, 1334 Lenape Road, West Chester, PA 19382, 610-793-5090, Net 30
3. Major customers (List three largest – names, addresses, telephone numbers, and show percentage (%) of gross business obtained from each):
 - o Bechtel Plant Machinery, Inc., 3500 Technology Drive, Monroeville, PA 15146-2459, Stephanie Popivchak, Buyer: 412-423-2493, 75%
 - o Northrop Grumman, PO Box 1488, Annapolis, MD 21401, Gregg Kazor, Buyer: 410-260-5771, 20%
 - o The Columbia Group, 1201 M Street SE, Suite 010, Washington, DC 20008-3703, Steve Segrest, Engineer: 850-234-8817, 5%
4. What are your terms of sale?
Net 30
5. Current Landlord (List name, address and telephone number):
N/A
6. Legal Counsel (List name, address and telephone number):

Phillips Lytle LLP
3400 HSBC Center
Buffalo, NY 14203
716-847-8400

C. Business Description

1. Describe type of business:
Manufacturing
2. Describe the principal products and services:

Newbrook is a full service supplier of high tech mechanical components used in various undersea and nuclear applications. Newbrook provides manufacturing engineering, machining, welding, fabrication, assembly and testing services to unique customer designs and specifications

3. Describe the market(s) served:

Newbrook serves the naval reactors program as well as various programs in undersea surveillance. Our primary customers include Bechtel Plant Machinery, Inc., Northrop Grumman, Lockheed Martin and The Boeing Co. Our primary suppliers are major steel & titanium producers and distributors across the United States. They include American Stainless, Scot Forge, President Titanium, Viking Metallurgical, and Dubose National Energy. Our major competitors include Penn State Tool & Die, Precision Components Corporation, Hamill Manufacturing, GE Ionics and PDS Industries.

D. Present Location

1. If you rent:
 - a. What is the present annual rent (state whether firm has a gross or net lease):

N/A
 - b. When does the lease expire? N/A
2. If you own:
 - a. What is the current annual mortgage payment? N/A
 - b. When does the mortgage terminate? N/A
3. Describe present location (include square footage, number of buildings, number of floors, etc.)

40,000 square feet, 1 building, 2 floors
4. List the current annual taxes by respective taxing jurisdictions:
 - a. Building(s): \$2,116 – Town; \$2,725 – Village; \$3,079 - School
 - b. Land: \$423 – Town; \$545 – Village; \$616 - School

E. Previous Financial Activities

1. What were your company's estimated capital expenditures in Chautauqua County, New York, during the past three (3) years? (Specify by place, year and amount.)

Newbrook – 2008 - \$21,100
Newbrook – 2007 - \$108,550
Newbrook – 2006 - \$6,400
Newbrook via Chautauqua Equipment – 2008 - \$237,000
Newbrook via Chautauqua Equipment – 2007 - \$94,600
Newbrook via Chautauqua Equipment – 2006 - \$158,400

2. Has your company ever been a recipient of funds obtained through tax-exempt or taxable bonds? Yes No If "Yes" give details below:
3. Describe your company's effort to secure assistance or financing in the County of Chautauqua, or any other area, on a separate sheet.

F. Types of Financial Assistance Requested
(Cross out those which are not applicable.)

1. ~~Industrial Development Revenue Bonds~~
~~A. Tax Exempt~~
~~B. Taxable~~

2. Tax Lease
3. Other loan(s). Describe: PILOT Sales Tax Assistance (Possible) Mortgage Recording Tax Assistance (Possible)

Part 2

- A. Describe the Project**
(Include a general, functional description and prospective location.)

The current expansion plan includes a new building at the Mechanic Street address in Silver Creek, NY and the purchase of equipment needed to complete existing work and expand our product offering into the "large component" market. The critical elements of this expansion are to erect a new building and install two large horizontal boring mills. The new building will be 80'x 160' and be equipped with two 20 ton cranes with 35' available under the hook. One horizontal boring mill is an existing CNC Kuraki KBT13 purchased new in 2002 and the second is a new CNC Kuraki KBT15 or similar size machine. The new building will have sufficient lifting capacity and height to maximize the machines' capabilities. In addition, we would relocate several welding stations from our Excelco Developments, Inc. facility to the new building where overhead handling would be much improved. The combination of fully utilizing our existing equipment, constructing a new building, and adding new equipment most cost effectively positions the company as a highly productive and capable large component supplier.

Future expansion involves maximizing the new facility by purchasing two more pieces of even larger equipment that increase capacity, improve competitive ability and make further productivity gains. The machines will be a large CNC Johnford sliding double column vertical mill SDMC-6000 and Giddings & Lewis conventional horizontal boring mill or similar. To maximize productivity on medium sized parts, two used CNC horizontal boring mills will be installed at the previous location of the Kuraki KBT13.

The overall impact of this project on the company is quite dramatic. From a capacity perspective, production hours shall increase 65% from 49,000 hours per year to 81,000 hours. In order to staff this increase, 16 additional people are required, taking the current employment level from 49 up to 65. From a productivity perspective, double digit increases are forecasted. This is largely due to the time consuming and laborious efforts associated with lifting, handling, setting-up and transporting components beyond our current size and weight capabilities. However significant productivity enhancements are expected from the expanded machinery capabilities and better overall handling capabilities for welding large components.

Capability Comparison

	Current	Future
Milling Height	90"-120"	240"
Turning Speed	8 RPM	30 RPM
Milling Weight	26,400 lbs	Unlimited
Annual Labor Hours	49,000	81,000
Employees	49	65

B. Reasons for Project

1. Briefly describe the reasons why this project is necessary and what effect it will have on your business:

As competition in the markets we serve increases, we are finding ways to increase not only our competitiveness and efficiency, but also expand our current product offering. In order to preserve jobs and ensure long term sustainability, we need to expand into "large parts" manufacturing. Our direct competition currently offers this service at high margins. Currently, we are limited by our part size capabilities and forced to compete exclusively on small to mid sized parts at small margins. In addition, our competition is physically located near our primary customers (PA), which gives them an additional competitive advantage. We have been in New York State for nearly 60 years and employed thousands over that time. We are very interested in keeping jobs right here in New York for years to come.

As we stated earlier, the potential rewards of this new business are tremendous, but so is the investment. We are a small business and an expansion of this magnitude could be a burden on free cash flows if we did this project on our own. For this reason, we are asking the CCIDA & ESD for financial assistance in making this project a reality.

2. If your business is unable to arrange suitable financing for this project, what will be the impact on your company and the County of Chautauqua? Would your company proceed with the project without Agency assistance and / or financing? Describe in detail:

If Newbrook was unable to arrange suitable financing for this project, on a short-term basis, we would be forced to outsource existing backlog to meet contract due dates. Long term, we would not build the facility or we would scale back the scope of the project, resulting in minimal, if any job growth and existing jobs would be jeopardized.

Long term, customers are reluctant to award contracts to companies that do not have internal manufacturing capabilities (due the huge risk associated with subcontracting). Keeping our capability/product offering the same would jeopardize future contract awards.

C. Type of Project

1. Check category which best describes your project:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Manufacturing | <input type="checkbox"/> Warehousing |
| <input type="checkbox"/> Industrial Assembly | <input type="checkbox"/> Pollution Control |
| <input type="checkbox"/> Research | <input type="checkbox"/> Other (Specify) |

2. If pollution control, check appropriate items below:

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Air | <input type="checkbox"/> Noise |
| <input type="checkbox"/> Water | <input type="checkbox"/> Solid Waste |
| <input type="checkbox"/> Air/Water | <input type="checkbox"/> Other (Specify) |

D. Proposed Location

1. Does the project consist of (check appropriate categories):

- | | | |
|--|---|--|
| a. Construction of a new building | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| b. Renovations to an existing building | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| c. Construction of an addition to an existing building | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| d. Acquisition of an existing building | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

If the Company is to acquire an existing plant, attach a photograph and indicate if it is in operation, about to be abandoned or abandoned. If in operation, describe present products.

List costs or orders made by Company for the project, at the date of this application, on a separate sheet. NONE

2. Describe the proposed location(s) of this project, including square footage, number of floors, address, etc. (If new construction is involved or expansion of existing plant, attach proposed floor plan):

Build an 80 foot by 160 foot (12,800 sq ft.) steel high bay building on the existing lot located at 16 Mechanic St., Silver Creek, NY 14136. Equip the new facility with (2) - 20 ton cranes to handle parts up to 80,000 pounds with approximately 35 feet lifting height capacity. The building will be one story and include overhead doors in the front (towards Mechanic St.) and the rear.

3. List the present owner of the project site and the owner's name, address, and phone number. (If currently owned by the applicant, indicate date of purchase, reason for purchase and current use of the site):

Owned by applicant; currently used as a parking lot.

4. Does the project site currently have existing occupant(s)?
 Yes No

If "Yes", list all lessees, the amount of space occupied by each, and the date of termination of such leases on a separate sheet.

5. Is there a relationship legally or by virtue of common control between the applicant or present owner?
 Yes No

If "Yes", provide details on a separate sheet.

6. Does the Company have an option to purchase the project site or has a contract of sale been executed for such purchase? (If so, attach particulars.)
 Yes No

7. Has the Company placed any purchase orders or entered into any other agreements or contracts with respect to proposed project costs? (If so, attach particulars.)
 Yes No

E. Location Maintenance Costs

1. What are the real estate taxes on the land and the building? (If current rate is not available, give assessed value for each and so state.)

Land \$423 – Town; \$545 – Village; \$616 - School

Building \$2,116 – Town; \$2,725 – Village; \$3,079 - School

2. What is the estimated useful life of the:

a. Facility: 40+ Years

b. Equipment: 10 years

3. Is proposed Project site served by:

- a. Transportation Rail Truck Air
 Water
- b. Utilities Sewer Water Gas
 Electric Power

F. Employment

1. Employment at present time, if Company is now in existence within Chautauqua County, and an estimate of such employment at the proposed location at the end of one and two years:

	<u>Present</u>	<u>First Year</u>	<u>Second Year</u>
Full Time	45	49	53
Part Time*	4	4	4
Seasonal*	1	1	1

*Estimate percent that total part time or seasonal working time bears to total annual full working time 2%.

Total \$

2. Estimate the annual payroll:

At present: \$ 2,350,000

In one year: \$ 2,600,000

G. Project Costs

1. List the costs necessary for the construction, acquisition or renovation of the project. (The project costs should **not** include working capital needs or moving expenses.)

<u>Description</u>	<u>Amount</u>
Land	\$
Building(s) (Includes cranes, concrete, etc.)	\$ 646,700
Renovation	\$
Machinery and Equipment (Do not include furniture costs)	\$ 815,000
Installation	\$ 40,000

(G. Continued)

Fees (Do not include your own counsel fees)	\$ -
Architectural Fees	\$ 1,000
Financial Charges (specify)	\$ -
Other (specify)	
Utilities	\$ 27,000
Parking, Driveways	\$ 20,000
Subtotal	\$ 1,549,700
Agency Administrative Fee	\$ 15,497
<u>Total Project Cost</u>	\$ 1,565,197

2. What is the amount of funds and term requested for financing through the County of Chautauqua Industrial Development Agency?

50% tax abatement on the incremental increase in assessment on new construction for 10 years

H. Project Schedule

1. Indicate the estimated days for:
 - a. Financing of the project: 8/17/2009
 - b. Commence of construction: 8/17/2009
 - c. Completion of construction: 12/25/2009
2. List the date(s) and in what amount(s) the estimated funds will be required:
N/A

I. Other Agency Involvement

1. Have you contacted any other governmental agency in reference to this project?
 Yes No

If "Yes", please indicate the agency and the nature of the inquiry below:

Empire State Development

2. Have you contacted any financing institutions or other industrial development agencies in New York State, or elsewhere, for financial assistance in reference to this project or one of a similar nature?
 Yes No

If "Yes", please indicate below the institution and / or agency and the present status of the inquiry:

We are in the process of acquiring a working capital (\$500,000) and equipment line of credit (\$750,000) from M & T Bank. The working capital line of credit is currently in place and the equipment line of credit is at the application stage.

J. Financial Information (attach the following)

1. Certified financial statements for the last three (3) fiscal years.

For Industrial Development Bonds (IDB) complete Questions 2, 3 & 4.

2. Pro forma sheet as at start of operations at project site.
3. Project profit and loss statements for first two (2) years of operation at projected site.
4. Projected "cash flow" statement, by quarters, for first year of operation at project site.

Certification

Christopher J. Lanski

(Name of chief executive officer of company submitting application)

deposed and says that he/she is the President
(Title)

of Newbrook Machine Corporation , the corporation named in attached application;
(Company name)

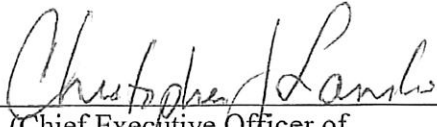
that he has read the foregoing application and attachments and knows the contents thereof; that the same is true to his knowledge, contains no information or data that is false or incorrect and is truly descriptive of the project which is intended as security for the requested financing.

Deponent further says the reason for this verification is made by the deponent and not by Newbrook Machine Corporation
(Company name)

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 required by deponent in the course of his duties as an officer of and from the books and papers of said corporation.

As an officer of said corporation (hereinafter referred to as the "applicant") deponent acknowledges and agrees that applicant shall be and is responsible for all costs incurred by the non-profit County of Chautauqua Industrial Development Agency (hereinafter referred to as the "Agency") acting in connection with the attendant negotiations and ultimately the closing of the project and (or) financing. If, for any reason whatsoever, the 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, then upon presentation of invoice, applicant shall pay to the Agency, its agents or assigns all actual costs involved in conduct of the application and the drafting of documents up to that date and time, including fees of counsel for the Agency.

The costs incurred by the Agency and paid by the applicant, including the Agency's counsel's fees and the administrative fee, may be considered as a cost of the project and included as part of any resultant bond issue, subject to the limitations imposed by law.




(Chief Executive Officer of
company submitting application)

Notary

Sworn to before me this

12 day of June, 2009



(Seal)

DAVID P. NOTARO #4655426
Notary Public, State of New York
Qualified In Chautauqua County
My Commission Expires Sept. 30, 2009

TO: Project Applicants
 FROM: County of Chautauqua Industrial Development Agency
 RE: Cost/Benefit Analysis Questionnaire

In order for the County of Chautauqua Industrial Development Agency (the "Agency") to prepare a Cost/Benefit Analysis for a proposed project (the "Project"), the Applicant must answer the questions contained in this Project Questionnaire (the "Questionnaire") and complete the attached Schedules. This Questionnaire and the attached Schedule will provide information regarding various aspects of the Project, and the costs and benefits associated therewith.

Since we need this Questionnaire to be completed before we can finalize the Cost/Benefit Analysis, please complete this Questionnaire and forward it to us at your earliest convenience.

PROJECT QUESTIONNAIRE

1. Name of Project Beneficiary ("Company"):	Newbrook Machine Corporation
2. Brief Identification of the Project:	NMC Expansion
3. Estimated Amount of Project Benefits Sought:	
A. Amount of Bonds Sought:	\$ Not Applicable
B. Value of Sales Tax Exemption Sought	\$ 20,000 (est.)
C. Value of Real Property Tax Exemption Sought	\$ 101,511
D. Value of Mortgage Recording Tax Exemption Sought	\$ Not Applicable

PROJECTED PROJECT INVESTMENT

A. Land-Related Costs	
1. Land acquisition	\$ -
2. Site preparation	\$ 10,000
3. Landscaping	\$ -
4. Utilities and infrastructure development	\$ -
5. Access roads and parking development	\$ 20,000
6. Other land-related costs (describe)	\$ -
B. Building-Related Costs	
1. Acquisition of existing structures	\$ -
2. Renovation of existing structures	\$ -
3. New construction costs	\$ 305,700
4. Electrical systems	\$ 62,000
5. Heating, ventilation and air conditioning	\$ 20,000
6. Plumbing	\$ -
7. Other building-related costs (describe)	\$ 130,000
Sprinkler, Water & Sewer, Concrete	

C.	Machinery and Equipment Costs	
1.	Production and process equipment Cranes & Horizontal Machining Center	\$ 775,000
2.	Packaging equipment	\$ -
3.	Warehousing equipment	\$ -
4.	Installation costs for various equipment Cranes, Rails for Crane, Crane Girders, Crane to Mount Crane	\$ 146,000
5.	Other equipment-related costs (describe) Handling Slings, workbenches, tooling	\$ 40,000
D.	Furniture and Fixture Costs	
1.	Office furniture	\$ -
2.	Office equipment	\$ -
3.	Computers	\$ -
4.	Other furniture-related costs (describe)	\$ -
E.	Working Capital Costs	
1.	Operation costs	\$ -
2.	Production costs	\$ -
3.	Raw materials	\$ -
4.	Debt service	\$ -
5.	Relocation costs – Move existing CNC Kuraki KBT13	\$ 40,000
6.	Skills training	\$ -
7.	Other working capital-related costs (describe)	\$ -
F.	Professional Service Costs	
1.	Architecture and engineering and permits	\$ 1,000
2.	Accounting/legal	\$ -
3.	Other service-related costs (describe)	\$ -
G.	Other Costs	
1.	_____	\$ -
2.	_____	\$ -
H.	Summary of Expenditures	
1.	Total Land Related Costs	\$ 30,000
2.	Total Building Related Costs	\$ 517,700
3.	Total Machinery and Equipment Costs	\$ 961,000
4.	Total Furniture and Fixture Costs	\$ -
5.	Total Working Capital Costs	\$ 40,000
6.	Total Professional Service Costs	\$ 1,000
7.	Total Other Costs	\$ -

PROJECTED CONSTRUCTION EMPLOYMENT IMPACT

I. Please provide estimates of total construction jobs at the Project:

Year	Construction Jobs (Annual wages and benefits \$40,000 and under)	Construction Jobs (Annual wages and benefits over \$40,000)
Current Year	N/A	N/A
Year 1		
Year 2		
Year 3		
Year 4		
Year 5		

**Newbrook does not have information available. The contractor hired is responsible for construction job levels to meet the project needs.

II. Please provide estimates of total annual wages and benefits of total construction jobs at the Project:

Year	Total Annual Wages and Benefits	Estimated Additional NYS Income Tax
Current Year	\$ _____	\$ _____
Year 1	\$ _____	\$ _____
Year 2	\$ _____	\$ _____
Year 3	\$ _____	\$ _____
Year 4	\$ _____	\$ _____
Year 5	\$ _____	\$ _____

**Newbrook does not have information available. The contractor hired is responsible for wages and benefits.

PROJECTED PERMANENT EMPLOYMENT IMPACT

I. Please provide estimates of total existing permanent jobs to be preserved or retained as a result of the Project:

Year	Existing Jobs (Annual wages and benefits \$40,000 and under)	Existing Jobs (Annual wages and benefits over \$40,000)
Current Year	0	0
Year 1	4	0
Year 2	2	2
Year 3	2	2
Year 4	2	2
Year 5	0	0

II. Please provide estimates of total new permanent jobs to be created at the Project:

Year	New Jobs (Annual wages and benefits \$40,000 and under)	New Jobs (Annual wages and benefits over \$40,000)
Current Year	0	0
Year 1	4	0
Year 2	2	2
Year 3	2	2
Year 4	2	2
Year 5	0	0

III. Please provide estimates of total annual wages and benefits of total permanent construction jobs at the Project:

Year	Total Annual Wages and Benefits	Estimated Additional NYS Income Tax
Current Year	\$ _____	\$ _____
Year 1	\$ _____	\$ _____
Year 2	\$ _____	\$ _____
Year 3	\$ _____	\$ _____
Year 4	\$ _____	\$ _____
Year 5	\$ _____	\$ _____

**Newbrook does not have information available. The contractor hired is responsible for wages and benefits.

IV. Please provide estimates for the following:

A. Creation of New Job Skills relating to permanent jobs. Please complete Schedule A.

PROJECTED OPERATING IMPACT

I. Please provide estimates for the impact of Project operating purchases and sales:

Additional Purchases (1 st year following project completion)	\$ 775,000 (Next Large Horizontal Machine)
Additional Sales Tax Paid on Additional Purchases	\$ _____
Estimated Additional Sales (1 st full year following project completion)	\$ 1,500,000 (est.)
Estimated Additional Sales Tax to be collected on additional sales (1 st full year following project completion)	\$ _____

II. Please provide estimates for the impact of Project on existing real property taxes and new payments in lieu of taxes ("Pilot Payments"):

Year	Existing Real Property Taxes*	New Pilot Payments**	Total
Current Year	9,424	0	9,424
Year 1	9,612	9,271	18,883
Year 2	9,804	9,456	19,260
Year 3	10,000	9,645	19,645
Year 4	10,200	9,838	20,038
Year 5	10,404	10,035	20,439
Year 6	10,612	10,236	20,848
Year 7	10,824	10,440	21,264
Year 8	11,040	10,649	21,689
Year 9	11,261	10,862	22,123
Year 10	11,487	11,079	22,566

*2% annual escalation used

**\$425,000 incremental increase in assessment for new construction, number represents Newbrook portion of 50%

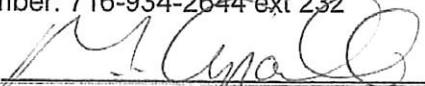
III. Please provide estimates for the impact of other economic benefits expected to be produced as a result of the Project:

We anticipate adding 16 production jobs all with an annual salary greater than \$30,000. In addition, we plan to add two machining centers each valued at \$775,000. 90% of our employees are residents of Chautauqua County. We would anticipate that 90% of new employees would reside in Chautauqua County as well. The economic impact would be widespread for several reasons including increased sales tax revenue from employee related consumer spending, increased property taxes paid by future potential employees relocating to the area, and the fact that the additional capacity and capability will lead to new future jobs, retained jobs, therefore leading to more tax revenues. Also, the increased business will increase spending with our suppliers, which several are located in Chautauqua County.

CERTIFICATION

I certify that I have prepared the responses provided in this Questionnaire and that, to the best of my knowledge, such responses are true, correct and complete.

I understand that the foregoing information and attached documentation will be relied upon, and constitute inducement for, the Agency in providing financial assistance to the Project. I certify that I am familiar with the Project and am authorized by the Company to provide the foregoing information, and such information is true and complete to the best of my knowledge. I further agree that I will advise the Agency of any changes in such information, and will answer any further questions regarding the Project prior to the closing.

Date Signed: June 12, 2009.	Name of Person Completing Project Questionnaire on behalf of the Company. Name: P.J. Azzarella Title: CFO Phone Number: 716-934-2644 ext 232 Signature: 
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**County of Chautauqua
Industrial Development Agency**

**FINANCIAL FEE
STRUCTURE**

REVOLVING LOAN FUNDS

1% of total loan

CIVIC FACILITIES BONDS

1% of total IDA project cost

INDUSTRIAL REVENUE BONDS

1% of total IDA project cost

TAX LEASES

1% of total IDA project cost

AN APPLICATION FEE OF \$250 IS DUE UPON SUBMISSION OF ALL LOAN APPLICATIONS
AN APPLICATION FEE OF \$1,000 IS DUE UPON SUBMISSION OF ALL BOND AND TAX
LEASE APPLICATIONS