

COUNTY OF CATTARAUGUS INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION FOR SALE/LEASEBACK TRANSACTION

IMPORTANT NOTICE: The answers to the questions contained in this application are necessary to determine your firm's eligibility for tax exemptions and other assistance from County of Cattaraugus 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 CATTARAUGUS INDUSTRIAL DEVELOPMENT AGENCY
3 East Washington Street
P.O. Box 1749
Ellicottville, New York 14731
Attention: Chairman

This application by applicant respectfully states:

APPLICANT: Ontario Knife Company
APPLICANT'S STREET ADDRESS: 26 Empire Street
CITY: Franklinville STATE: NY PHONE NO.: 716-696-5527

NAME OF PERSON(S) AUTHORIZED TO SPEAK FOR APPLICANT WITH RESPECT TO THIS APPLICATION: Cari Jaroslowsky 716-655-5990 ext 1115

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

NAME OF FIRM: _____

NAME OF ATTORNEY: _____

ATTORNEY'S STREET ADDRESS: _____

CITY: _____ STATE: _____ PHONE NO.: _____

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. The applicant will also be expected to pay all costs incurred by general counsel and special counsel to the Agency.
9. ~~The Agency has established an application fee of Two Hundred Fifty Dollars (\$250) 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	_____, 200_
3.	Date application referred to attorney for review	_____, 200_
4.	Date copy of application mailed to members	_____, 200_
5.	Date notice of Agency meeting on application posted	_____, 200_
6.	Date notice of Agency meeting on application mailed	_____, 200_
7.	Date of Agency meeting on application	_____, 200_
8.	Date Agency conditionally approved application	_____, 200_
9.	Date scheduled for public hearing	_____, 200_
10.	Date Environmental Assessment Form ("EAF") received	_____, 200_
11.	Date Agency completed environmental review	_____, 200_
12.	Date of final approval of application	_____, 200_

County of Cattaraugus Industrial Development Agency
Lease Fee Structure

~~\$750 non-refundable application fee, plus~~
~~\$750 non-refundable agency counsel fee.~~

> Bring to meeting 6-11-13 @ 11:15am

At the time of closing, prior to the CCIDA issuing its sales tax letter, you will be responsible for the following:

1 and 1/16% fee on the amount of sales tax letter(s) provided (in addition to the non-refundable application fee). Any additional sales tax letter(s) beyond the initial project amount will pay the standard IDA fee (1 and 1/16%) prior to the Agency issuing this letter(s). Any project with an in lieu of real property PILOT will be responsible for the full project PILOT amount paid in full at time of the project closing including projects with fixed fee amounts.

In addition to a CCIDA administrative fee you will also be responsible for paying CCIDA legal counsel expenses for lease transactions. The following are the CCIDA legal costs for each project:

Projects up to \$500,000	\$5,000 fee & up to \$500 in expenses
Projects up to \$1,000,000	\$7,500 fee & up to \$750 in expenses
Projects up to \$2,000,000	\$9,000 fee & up to \$750 in expenses
Projects above \$2,000,000	Will be negotiated

NOTE: Agency legal counsel fee include the \$750 non-refundable agency Counsel fee. Also if a Payment in Lieu of Taxes (PILOT) and/or a mortgage is part of the Project an additional \$2,000.00 fee will be charged.

Please Note: ALL lease transactions will be by mail closing and these costs only include basic lease documents. Modification of the base documents could result in additional CCIDA attorney costs. In addition, you will also be responsible for your own attorney's legal expenses relating to this transaction. The Board may also modify its fee with three quarters of the Agency's Board Members present approving.

A late payment charge of 1 1/2% per month (30 day period) for every project billing will be in effect from the date billed by the CCIDA.

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

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

A. Identity of Company:

1. Company Name: *Ontario Knife Company*
 Present Address: *26 Empire Street, Franklinville NY*
 Zip Code: *14737*
 Employer's ID No.:

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

3. Indicate type of business organization of Company:

a. Corporation. If so, incorporated in what country? *US*;
 What State? *NY*; Date Incorporated *8-12-1902*;
 Type of Corporation? *C*; Authorized to do business
 in New York? Yes ; 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 organization(s)? If so, indicate name of related organization(s) and relationship: *100% owned*

Subsidiary of Servotronics, Inc.

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
<i>Kenneth D Trbovich</i>	<i>President and CEO</i>	
<i>Robert Breton</i>	<i>Vice President</i>	
<i>Caci Jaroslowsky</i>	<i>Treasurer and secretary</i>	

2. Is the Company or management of the Company now a plaintiff or a defendant in any civil or criminal litigation? Yes ; No .

3. Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation)? Yes ; No .

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 .
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 . If yes, please list exchanges where stock traded: AMEX-MKT Traded under parent SVT
2. If no, list all stockholders having a 5% or more interest in the Company:

NAME	ADDRESS	PERCENTAGE OF HOLDING
<u>ServoTronics, Inc</u>		<u>100%</u>

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

Community Bank

II. DATA REGARDING PROPOSED PROJECT.

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

See Attached.

B. Location of the Project:

1. Street Address: 26 Empire Street
2. City of _____
3. Town of _____
4. Village of Franklinville
5. County of Cattaraugus

C. Description of the Project site:

1. Approximate size (in acres or square feet) of the Project site:
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: 1. Also, please briefly identify each existing building and indicate the approximate size (in square feet) of each such existing building:
 - b. Are the existing buildings in operation? Yes ; No . If yes, describe present use of present buildings:
 - c. Are the existing buildings abandoned? Yes , No . About to be abandoned? Yes ; No . If yes, describe:
 - d. Attach photograph of present buildings. *See attached*

3. Utilities serving the Project site:

Water-Municipal: *Franklinville*
Other (describe)
Sewer-Municipal: *Franklinville*
Other (describe)
Electric-Utility: *National Grid*
Other (describe)
Heat Utility:
Other (describe) *National Fuel*

4. Present legal owner of the Project site:

- a. If the Company owns the Project site, indicate date of purchase:
1967, purchase price: \$_____.
- 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: _____, 20__;
and the date the option expires: _____, 20__ *N/A*

- 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; *N/A*
5. a. Zoning District in which the Project site is located: *Village of Franklinville-Industrial*
- b. 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:

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 . If yes, indicate number and size of new buildings:
25,000 sq feet (est.)
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:
See attached
3. Describe the principal uses to be made by the Company of the building or buildings to be acquired, constructed or expanded:
Manufacturing of Cutlery

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 ; No . If yes, describe the Equipment:
See attached
2. With respect to the Equipment to be acquired, will any of the Equipment be Equipment which has previously been used? Yes ; No . If yes, please provide detail:
Not determined at this time

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

Cutlery

F. Project Use:

1. What are the principal products to be produced at the Project?
Cutlery, see attach Product Catalog
2. What are the principal activities to be conducted at the Project?
manufacturing of knives
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:
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? _____% *N/A*
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: *N/A*
- 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:
- 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: *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 . 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 . If yes, please provide detail:
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 or such Project Occupant in its industry? Yes ; No . If yes, please provide detail:
- 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 . 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 ; No . If yes, please discuss in detail the approximate stage of such acquisition: *In very initial pre-construction work aimed at determining cost and time-line of project.*
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: *NONE*

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:

1. 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.

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? *N/A*

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	8	17	31	56
Present Part Time		3		3
Present Seasonal				0
First Year Full Time	8	17	31	56
First Year Part Time		3		3
First Year Seasonal				0
Second Year Full Time	8	17	31	56
Second Year Part Time		3		3
Second Year Seasonal				0

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 (- est.)</u>
Land - <i>Related</i>	\$ <u>70,000</u>
Buildings	\$ <u>2,360,500</u>
Machinery and equipment costs	\$ <u>1,551,500</u>
Utilities, roads and appurtenant costs	\$ <u>N/A</u>
Architects and engineering fees	\$ <u>65,000</u>
Costs of Financing	\$ <u>undetermined</u>
Construction loan fees and interest	\$ <u>undetermined</u>
Other (specify)	
<u>Training</u>	\$ <u>280,000</u>
<u>furniture / Fixtures</u>	\$ <u>45,000</u>
	\$ _____

- B. Have any of the above expenditures already been made by the applicant? Yes ; No . If yes, indicate particulars.

VI. FINANCIAL ASSISTANCE EXPECTED FROM THE AGENCY.

A. Tax Benefits.

1. Is the applicant requesting any real property tax exemption in connection with the Project that would not be available to a project that did not involve the Agency? Yes ; No .

If yes, is the real property tax exemption being sought consistent with the Agency'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? \$ _____.
3. Is the applicant expecting to be appointed agent of the Agency for purposes of avoiding payment of N.Y.S. Sales Tax or Compensating Use Tax? Yes ; No . If yes, what is the approximate amount of purchases which the applicant expects to be exempt from the N.Y.S. Sales and Compensating Use Taxes? \$ _____.
4. What is the estimated value of each type of tax-exemption being sought in connection with the Project? Please detail the type of tax-exemption and value of each exemption.
 - a. N.Y.S. Sales and Compensating Use Taxes: \$ 8% of material purchases =
 - b. Mortgage Recording Taxes: \$ - 0 - * 206,000 est.
 - c. Real Property Tax Exemptions: \$ UNKNOWN
 - 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 ; No . If yes, please explain how the request of the applicant differs from the Agency's Uniform Tax-Exemption Policy:

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:

Ontario Knife Company
(Applicant)

BY: Cam Laocostandy, Treasurer

NOTE: APPLICANT MUST COMPLETE THE APPROPRIATE VERIFICATION APPEARING ON PAGES 16 THROUGH 18 HEREOF BEFORE A NOTARY PUBLIC AND MUST SIGN AND ACKNOWLEDGE THE HOLD HARMLESS AGREEMENT APPEARING ON PAGE 19.

HOLD HARMLESS AGREEMENT

Applicant hereby releases County of Cattaraugus 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 tax exemptions and other assistance requested therein are favorably acted upon by the Agency, (B) the Agency's acquisition, construction and/or installation 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 reach final agreement with respect to the Project, 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.

Carl J. Janczowski, Treasurer
(Applicant)

Sworn to before me this 3rd
day of JUNE, 2013.

Pamela G. Rawson
Notary Public

PAMELA G. RAWSON
NOTARY PUBLIC, STATE OF NEW YORK
QUALIFIED IN ERIE COUNTY
REGISTRATION NUMBER 01RA4924483
MY COMMISSION EXPIRES 3-14-2014

VERIFICATION

(If Applicant is a Corporation)

STATE OF NEW YORK)
)SS.:
COUNTY OF ERIE)

CARL L. JAROSLAWSKY deposes and says that he is the _____
(Name of officer of applicant)
TREASURER of ONTARIO KNIFE COMPANY
(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.

Carl L. Jaroslowsky, Treasurer
(officer of applicant)

Sworn to before me this 3rd
day of JUNE, 2013.

Pamela G. Rawson
Notary Public

PAMELA G. RAWSON
NOTARY PUBLIC, STATE OF NEW YORK
QUALIFIED IN ERIE COUNTY
REGISTRATION NUMBER 01RA4924483
MY COMMISSION EXPIRES 3-14-2014

TO: Project Applicants
 FROM: Cattaraugus County Capital Resource Corporation
 RE: Cost/Benefit Analysis

In order for the Cattaraugus County Capital Resource Corporation (the "Issuer") 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"):	Ontario Knife Company
2. Brief Identification of the Project:	Facility Expansion and Renovation
3. Estimated Amount of Project Benefits Sought:	
A. Amount of Bonds Sought:	\$0
B. Value of Sales Tax Exemption Sought	206,000 est
C. Value of Real Property Tax Exemption Sought	Currently \$27,199.28/year
D. Value of Mortgage Recording Tax Exemption Sought	\$NA

PROJECTED PROJECT INVESTMENT –all costs are estimates

A. Land-Related Costs	
1. Land acquisition	\$ _____
2. Site preparation	\$25,000
3. Landscaping	\$5,000
4. Utilities and infrastructure development	\$20,000
5. Access roads and parking development	\$20,000
6. Other land-related costs (describe)	\$0
B. Building-Related Costs	
1. Acquisition of existing structures	\$ _____
2. Renovation of existing structures	\$616,000
3. New construction costs	\$1,105,000
4. Electrical systems	\$320,000
5. Heating, ventilation and air conditioning	\$205,500
6. Plumbing	\$58,000
7. Other building-related costs (Fire Protection-Sprinkler)	\$56,000

C. Machinery and Equipment Costs		
1.	Production and process equipment	\$1,526,500
2.	Packaging equipment	\$25,000
3.	Warehousing equipment	\$
4.	Installation costs for various equipment	\$
5.	Other equipment-related costs (describe)	\$
D. Furniture and Fixture Costs		
1.	Office furniture	\$45,000
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	\$
6.	Skills training	\$280,000
7.	Other working capital-related costs (describe)	\$
F. Professional Service Costs		
1.	Architecture and engineering	\$65,000
2.	Accounting/legal	\$
3.	Other service-related costs (describe)	\$
G. Other Costs		
1.		\$
2.		\$
H. Summary of Expenditures		
1.	Total Land Related Costs	\$70,000
2.	Total Building Related Costs	\$2,360,500
3.	Total Machinery and Equipment Costs	\$1,551,500
4.	Total Furniture and Fixture Costs	\$45,000
5.	Total Working Capital Costs	\$280,000
6.	Total Professional Service Costs	\$65,000
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	15	45
Year 1	8	24
Year 2	8	24
Year 3	0	0
Year 4	0	0
Year 5		

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	\$1,040,000	\$ _____
Year 1	\$144,925	\$ _____
Year 2	\$151,250	\$ _____
Year 3	\$ _____	\$ _____
Year 4	\$ _____	\$ _____
Year 5	\$ _____	\$ _____

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	38	21
Year 1	38	21
Year 2	38	21
Year 3	38	21
Year 4	38	21
Year 5	38	21

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	Unknown if Any	Unknown if Any
Year 1	Unknown if Any	Unknown if Any
Year 2	Unknown if Any	Unknown if Any
Year 3	Unknown if Any	Unknown if Any
Year 4	Unknown if Any	Unknown if Any
Year 5	Unknown if Any	Unknown if Any

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	No Permanent Jobs Expected	No Permanent Jobs Expected
Year 1	No Permanent Jobs Expected	No Permanent Jobs Expected
Year 2	No Permanent Jobs Expected	No Permanent Jobs Expected
Year 3	No Permanent Jobs Expected	No Permanent Jobs Expected
Year 4	No Permanent Jobs Expected	No Permanent Jobs Expected
Year 5	No Permanent Jobs Expected	No Permanent Jobs Expected

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)	Unknown
Additional Sales Tax Paid on Additional Purchases	Unknown
Estimated Additional Sales (1 st full year following project completion)	Unknown
Estimated Additional Sales Tax to be collected on additional sales (1 st full year following project completion)	Unknown

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	\$27,000	Unknown	
Year 1	Property Taxes after expansion and in future years is unknown at the time.		
Year 2			
Year 3			
Year 4			
Year 5			
Year 6			
Year 7			
Year 8			
Year 9			
Year 10			

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

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 Issuer 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 Issuer of any changes in such information, and will answer any further questions regarding the Project prior to the closing.

Date Signed: 6-3-2013, 2011.

Name of Person Completing Project Questionnaire on behalf of the Company.

Name: Cari Taraslawsky

Title: Treasurer

Phone Number: 716-655-5990

Signature: Cari Taraslawsky

SCHEDULE A

CREATION OF NEW JOB SKILLS

Please list the projected new job skills for the new permanent jobs to be created at the Project as a result of the undertaking of the Project by the Company.

New Job Skills	Number of Positions Created	Wage Rate
This Project is expected to be a "job retention project".		

Should you need additional space, please attach a separate sheet.

ONTARIO *knife* **COMPANY**

**FACILITY EXPANSION AND RENOVATION
PROJECT OVERVIEW**

V.J. GAUTIERI CONSTRUCTORS
General Contractors • Construction Managers
Serving Clients Since 1954

TABLE OF CONTENTS

- INTRODUCTION
- PRELIMINARY PROJECT DEVELOPMENT SCHEDULE
- DESCRIPTION OF PROPOSED IMPROVEMENTS- BENEFIT/NEED ANALYSIS
 - RENOVATIONS TO EXISTING PHYSICAL PLANT
 - RENOVATIONS & ADDITIONS – IMPROVED PRODUCTIVITY/OPERATIONAL COST
 - RENOVATIONS & ADDITIONS – CUSTOMER/EMPLOYEE/OKC BENEFIT
- EXISTING BUILDING LAYOUT
 - AERIAL VIEW
 - FLOOR PLAN
- PROPOSED BUILDING LAYOUT – ADDITION OPTION 1
 - AERIAL VIEW
 - FLOOR PLAN
- PROPOSED BUILDING LAYOUT – ADDITION OPTION 2
 - AERIAL VIEW
 - FLOOR PLAN

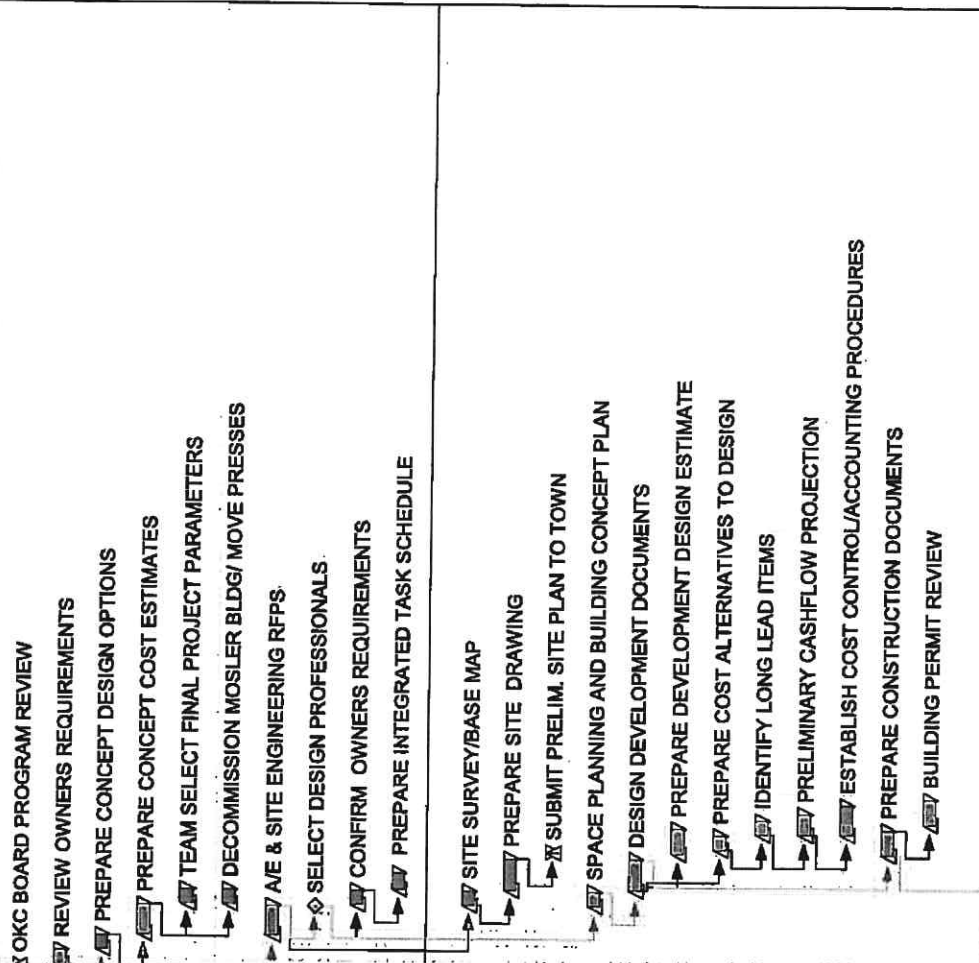
**PRELIMINARY DEVELOPMENT
SCHEDULE**

PLANNING PHASE

Act ID	Description	Orig Dur	Early Start	Early Finish
1000	OKC BOARD PROGRAM REVIEW	1d	23MAY13	23MAY13
1001	REVIEW OWNERS REQUIREMENTS	5d	24MAY13	30MAY13
1002	PREPARE CONCEPT DESIGN OPTIONS	5d	31MAY13	06JUN13
1003	PREPARE CONCEPT COST ESTIMATES	10d	07JUN13	20JUN13
1004	TEAM SELECT FINAL PROJECT PARAMETERS	5d	21JUN13	27JUN13
1005	DECOMMISSION MOSLER BLDG/ MOVE	5d	21JUN13	27JUN13
1010	A/E & SITE ENGINEERING RFPs	10d	07JUN13	20JUN13
1020	SELECT DESIGN PROFESSIONALS	0		20JUN13
1030	CONFIRM OWNERS REQUIREMENTS	5d	21JUN13	27JUN13
1035	PREPARE INTEGRATED TASK SCHEDULE	5d	28JUN13	05JUL13

DESIGN DEVELOPMENT PHASE

1040	SITE SURVEY/BASE MAP	5d	21JUN13	27JUN13
1050	PREPARE SITE DRAWING	10d	28JUN13	12JUL13
1060	SUBMIT PRELIM. SITE PLAN TO TOWN	1d	15JUL13	15JUL13
1070	SPACE PLANNING AND BUILDING CONCEPT	5d	21JUN13	27JUN13
1120	DESIGN DEVELOPMENT DOCUMENTS	10d	28JUN13	12JUL13
1125	PREPARE DEVELOPMENT DESIGN ESTIMATE	10d	15JUL13	26JUL13
1126	PREPARE COST ALTERNATIVES TO DESIGN	5d	17JUL13	23JUL13
1127	IDENTIFY LONG LEAD ITEMS	5d	24JUL13	30JUL13
1128	PRELIMINARY CASHFLOW PROJECTION	8d	24JUL13	02AUG13
1129	ESTABLISH COST CONTROL/ACCOUNTING	10d	24JUL13	06AUG13
1150	PREPARE CONSTRUCTION DOCUMENTS	10d	15JUL13	26JUL13
1155	BUILDING PERMIT REVIEW	10d	29JUL13	09AUG13



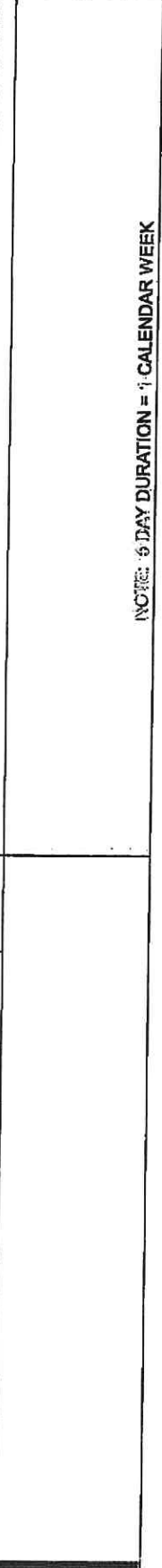
Start date	23MAY13
Finish date	30JAN14
Data date	23MAY13
Run date	23MAY13
Page number	1A
Company name	V.J. GAUTIERI CONSTRUCTORS
© Primavera Systems, Inc.	

ONTARIO KNIFE COMPANY
 PRELIMINARY DEVELOPMENT SCHEDULE

Early bar
 Early start point
 Early finish point
 Progress bar
 Critical bar
 Summary bar
 Start milestone point
 Finish milestone point

Act ID	Description	Orig Dur	Early Start	Early Finish
1160	PREPARE CONTRACT BID PACKAGES	10d	15JUL13	26JUL13
1170	SOLICIT BIDS	10d	29JUL13	08AUG13
1180	PRE-BID MEETING	1d	12AUG13	12AUG13
1190	RECEIVE BIDS	1d	12AUG13	12AUG13
1200	EVALUATE BIDS	3d	13AUG13	15AUG13
1210	CONDUCT PRE-CONSTRUCTION	3d	16AUG13	20AUG13
1220	RECOMMEND AND AWARD CONTRACTS	5d	21AUG13	27AUG13
1230	PREPARE SCHEDULE OF VALUES & DRAW	2d	28AUG13	29AUG13

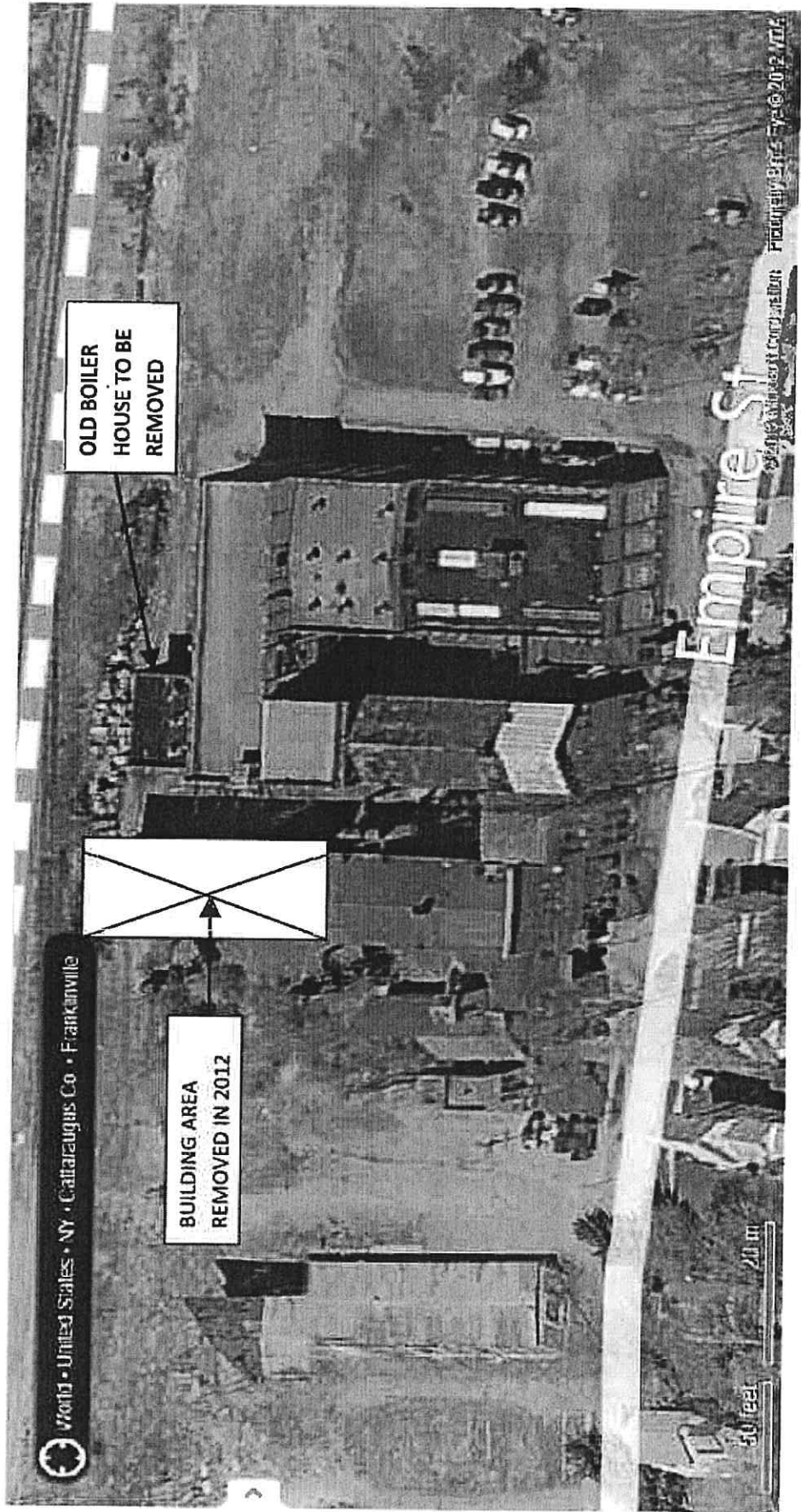
CONSTRUCTION PHASE				
Act ID	Description	Orig Dur	Early Start	Early Finish
1235	CONTRACTORS MOBILIZE SITE	5d	28AUG13	03SEP13
1240	BUILDING CONSTRUCTION	90d	04SEP13	09JAN14
1250	CERTIFICATE OF OCCUPANCY	5d	10JAN14	16JAN14
MOVE IN PHASE				
1300	MOVE EQUIPMENT; INVENTORY;	5d	17JAN14	23JAN14
1310	SET UP, CALIBRATION; START UP	5d	24JAN14	30JAN14
1320	MANUFACTURING FACILITY OPERATIONAL	0		30JAN14



NOTE: 6 DAY DURATION = 1 CALENDAR WEEK

Start date	23MAY13
Finish date	30JAN14
Data date	23MAY13
Run date	23MAY13
Page number	2A
Company name	V.J. GAUTIERI CONSTRUCTORS
ONTARIO KNIFE COMPANY PRELIMINARY DEVELOPMENT SCHEDULE	
© Primavera Systems, Inc.	

- Early bar
- Early start point
- Early finish point
- Progress bar
- Critical bar
- Summary bar
- Start milestone point
- Finish milestone point



OLD BOILER
HOUSE TO BE
REMOVED



BUILDING AREA
REMOVED IN 2012

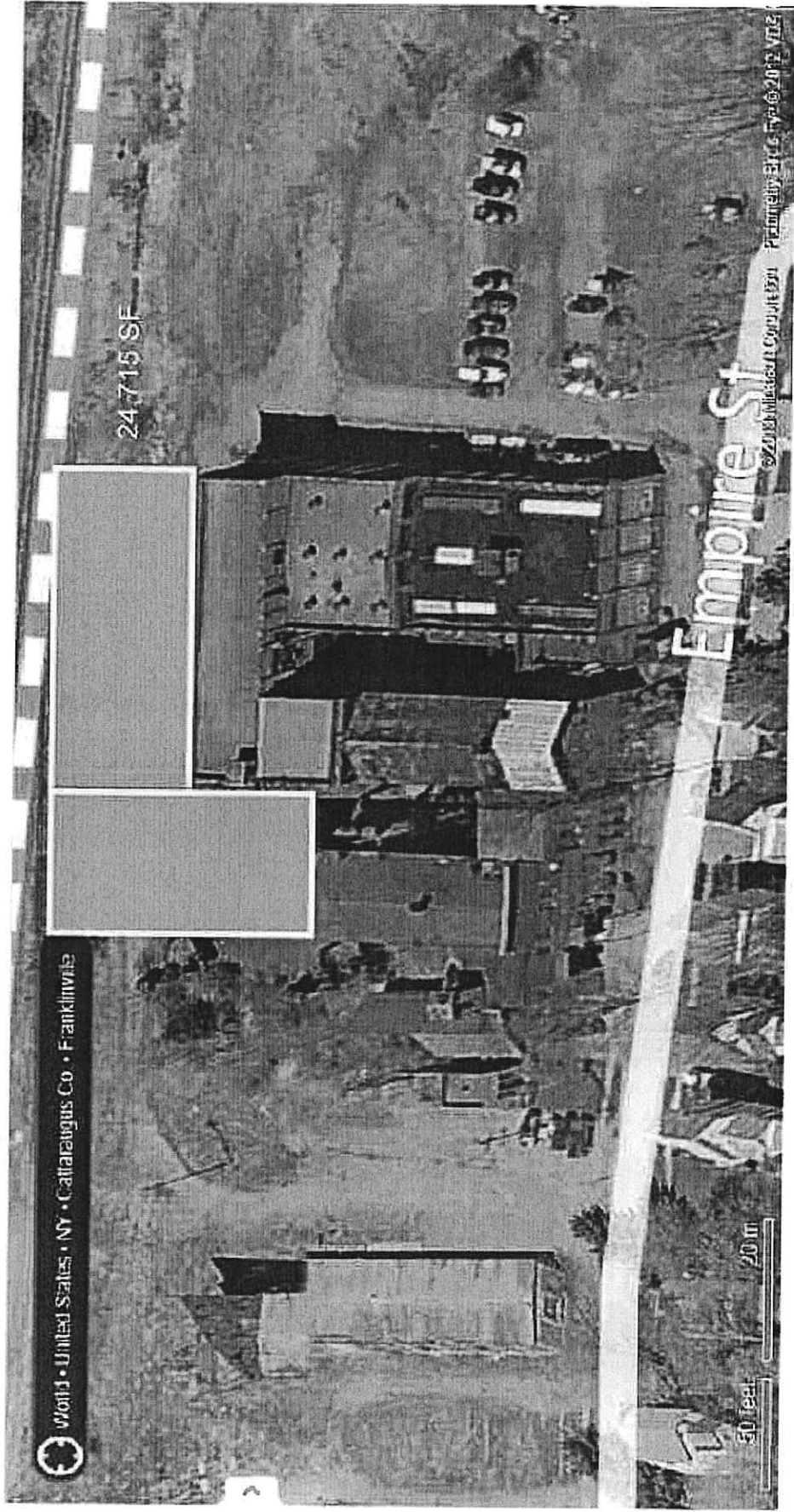
Empire St

50 feet 20 m

World - United States - NY - Cattaraugus Co - Frankanville

© 2012 Microsoft Corporation

EXISTING AERIAL VIEW



EXISTING AERIAL VIEW

OPTION 2 - ADDITION



ONTARIO KNIFE COMPANY

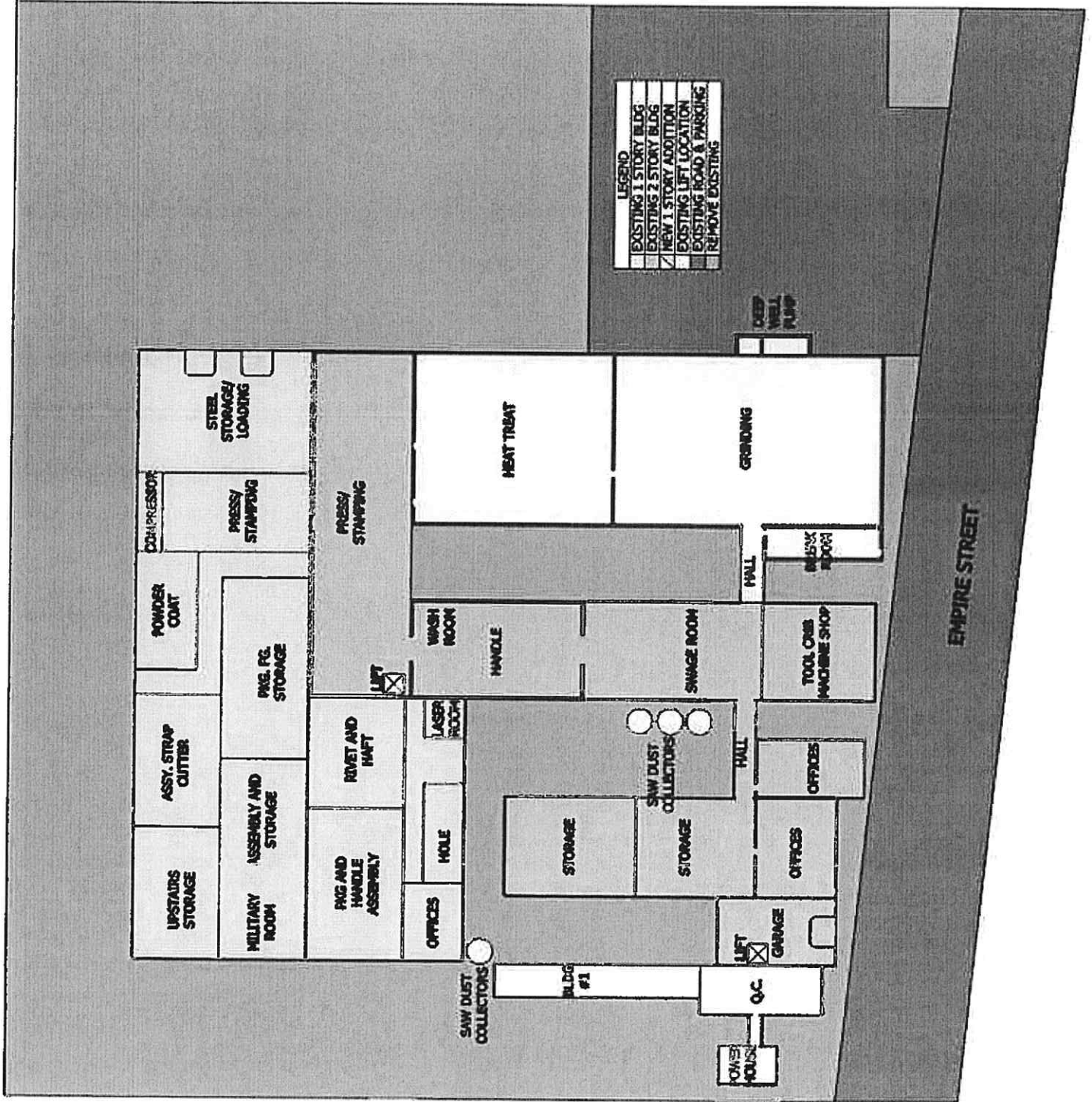
PLANNED EXPANSION
AND RENOVATIONS FOR

ONTARIO KNIFE
COMPANY

26 EMPIRE ST,
FRANKLINVILLE, NY 14737

EXISTING SITE W/
NEW ADDITION
OPTION #2

05-23-13



CCIDA Application for Sale/Leaseback Transaction

Page 6 Section II A.

The Ontario Knife Company is currently manufacturing a broad range of high carbon and stainless steel cutlery products sold to many segments of the commercial, governmental and industrial markets from its facility in Franklinville, NY. As the current facility was built in 1902, it is in need of expansion and modification to support the changes in manufacturing technology that is required to provide OKC with the ability to be competitive in the current market place. Most of the OKC competitors have upgraded their manufacturing capabilities through investment in new equipment and process and as such, can produce at a lower cost than OKC. OKC still performs many operations on antiquated equipment and the production lay out of the facility impedes process flow. Specifically, OKC is looking to move all production and shipping to one first floor operation and to cut time and expense off the process by introducing new equipment and work flow. In order to achieve this, OKC will need approximately \$4,000,000 in funding to add an approximate 25,000 square foot expansion to the north side of the building and to re-allocate existing operations from the second floor to the first floor as well as complete necessary improvements to the existing facility and upgrade equipment. The Executive Management at OKC believes that these changes are required in order for OKC to profitably compete in the market.