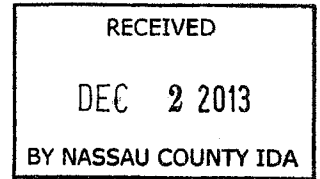


NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

APPLICATION FOR FINANCIAL ASSISTANCE
(Straight Lease)

APPLICATION OF:

Designatronics Incorporated



Amended 12/11/13

APPLICANT NAME

Please respond to all questions in this Application for Financial Assistance (the "Application") by, as appropriate:

- filling in blanks;
- checking the applicable term(s);
- attaching additional text (with notation in Application such as "see Schedule H, Item # 1", etc.); or
- writing "N.A.", signifying "not applicable".

All attachments responsive to questions found in this Application should be clearly labeled and attached as Schedule H to the Application. If an estimate is given, enter "EST" after the figure. One signed original and 9 copies of the Application (including all attachments) must be submitted.

The following amounts are payable to the Nassau County Industrial Development Agency (the "Agency") at the time this Application is submitted to the Agency: (i) a \$1,000 non-refundable application fee (the "Application Fee"); (ii) a \$3,500 expense deposit for the Agency's Transaction Counsel fees and expenses (the "Counsel Fee Deposit"), (iii) a \$2,500 expense deposit for the cost/benefit analysis with respect to the project contemplated by this Application (the "Cost/Benefit Deposit"), and (iv) a \$500 expense deposit for the real property tax valuation analysis, if applicable, with respect to the project contemplated by this Application (the "Valuation Deposit"). The Application Fee will not be credited against any other fees or expenses which are or become payable to the Agency in connection with this Application or the project contemplated herein (the "Project"). In the event that the subject transaction does not close for any reason, the Agency may use all or any part of the Counsel Fee Deposit, the Cost/Benefit Deposit and/or the Valuation Deposit to defray the cost of Transaction Counsel fees and expenses, the cost of obtaining a cost/benefit analysis and/or the cost of obtaining a real property tax valuation with respect to the Project. In the event that the subject transaction does close, the Counsel Fee Deposit, the Cost/Benefit Deposit and the Valuation Deposit shall be credited against the applicable expenses incurred by the Agency with respect to the Project.

Every signature page comprising part of this Application must be signed by the Applicant or this Application will not be considered complete or accepted for consideration by the Agency.

The Agency's acceptance of this Application for consideration does not constitute a commitment on the part of the Agency to undertake the proposed Project, to grant any Financial Assistance with respect to the proposed Project or to enter into any negotiations with respect to the proposed Project.

Information provided herein may be subject to disclosure under the New York Freedom of Information Law (New York Public Officers Law § 84 et seq.) ("FOIL"). If the Applicant believes that a portion of the material submitted with this Application is protected from disclosure under FOIL, the Applicant should mark the applicable section(s) or page(s) as "confidential" and state the applicable exception to disclosure under FOIL.

November 26, 2013
DATE

PART I. APPLICANT

A. APPLICANT FOR FINANCIAL ASSISTANCE (If more than one applicant, copy application and complete for each applicant):

Name: Designatronics Incorporated

Address: 2101 Jericho Turnpike, New Hyde Park, NY 11042

Primary Contact: Peter Dyson

Phone: 847-441-5517 Fax: _____

Primary Contact: Michael Walsh

Phone: 920-379-0457 Fax: 920-235-5801

E-Mail: mwalsh@radfordco.com

NY State Dept. of Labor Reg #: _____ Federal Employer ID #: _____

NAICS Code #: _____

B. BUSINESS TYPE (Check applicable status. Complete blanks as necessary):

Sole Proprietorship ___ General Partnership ___ Limited Partnership ___

Limited Liability Company ___ Privately Held Corporation X

Publicly Held Corporation ___ Exchange listed on _____

Not-for-Profit Corporation ___

Income taxed as: Subchapter S ___ Subchapter C ___
501(c)(3) Corporation ___ Partnership ___

State and Year of Incorporation/Organization: New York, 1960

Qualified to do Business in New York: Yes X No ___ N/A ___

C. ANY ENTITY PROPOSED TO BE A USER OF THE PROJECT:

Name: None

Relationship to Applicant: _____

D. APPLICANT COUNSEL (subject to Agency approval):

Firm name: Forchelli, Curto, Deegan, Schwartz, Mineo & Terrana LLP

Address: 333 Earle Ovington Blvd. Suite 1010
Uniondale, New York 11553

Primary

Contact: Daniel P. Deegan

Phone: (516) 248-1700

Fax: (516) 248-1729

E-Mail: ddeegan@forchellilaw.com

E. Principal stockholders, members or partners, if any (i.e., owners of 10% or more of equity/voting rights in Applicant):

Name	Percentage owned
DD&D Acquisition Company	_____
_____	_____ %
_____	_____ %

F. If any of the persons described in the response to the preceding Question, or a group of said persons, owns more than a 50% interest in the Applicant, list all other entities which are related to the Applicant by virtue of such persons having more than a 50% interest in such entities:

DD&D Acquisition Company does have an ownership interest in any other entities.

G. Is the Applicant related to any other entity by reason of more than 50% common ownership? If YES, indicate name of related entity and relationship:

YES ___

NO X

H. List parent corporation, sister corporations and subsidiaries, if any:

None

I. Is the Applicant (including any parent company, subsidiary or related entity or person) or any principal(s) of the Applicant or its related entities involved in any litigation or aware of any threatened litigation that would have a material adverse effect on the Applicant's financial condition or the financial condition of said principal(s)? If YES, attach details.

YES ___

NO X

J. Has the Applicant (or any parent company, subsidiary or related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, ever been involved, as debtor, in bankruptcy, creditors rights or receivership proceedings or sought protection from creditors? If YES, attach details.

YES ___

NO X

K. Has the Applicant (or any parent company, subsidiary or related entity or person) or any principal(s) of the Applicant or its related entities, ever been charged with or convicted of any felony or misdemeanor (other than minor traffic offenses), or have any such related persons or principal(s) held positions or ownership interests in any firm or corporation charged or convicted of a felony or misdemeanor (other than minor traffic offenses)? If YES, attach details.

YES ___

NO X

L. Has the Applicant (or any parent company, subsidiary or related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, been cited for (or is there pending proceeding or investigation with respect to) a violation of federal, state or

local laws or regulations with respect to labor practices, hazardous wastes, environmental pollution, taxation, or other operating practices? If YES, attach details.

YES ___ NO X

M. Is the Applicant (or any parent company, subsidiary or related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, delinquent or have any of the foregoing persons or entities been delinquent on any New York State, federal or local tax obligations within the past five (5) years? If YES, attach details.

YES ___ NO X

N. Complete the following information for principals (including, in the case of corporations, officers and members of the board of directors and, in the case of limited liability company, members and managers) of the Applicant:

<u>Name</u>	<u>Title</u>	<u>Other Business Affiliations</u>
Peter Dyson___	President___	_____
Barbara Dyson_____	Chairman___	_____
_____	_____	_____
_____	_____	_____

Do any of the foregoing principals hold elected or appointive public positions? If YES, attach details.

YES ___ NO X

Are any of the foregoing principals employed by any federal, state or local municipality or any agency, authority, department, board, or commission thereof or any other governmental or quasi-governmental organization?

YES ___ NO X

O. Operation at existing location(s) (Complete separate Section O for each existing location): Four (4) locations listed below.

- (a) Location: 2101 Jericho Turnpike, New Hyde Park, NY
- (b) Number of Employees: Full-Time: 61 Part-Time:
- (c) Annual Payroll, excluding benefits: \$14,000,000 (all four current locations, collectively) _____
- (d) Type of operation (e.g. manufacturing, wholesale, distribution)

and products or services: Administration

(e) Size of existing facility real property
(i.e., acreage of land): _____

(f) Buildings (number and square footage of each): 1-80,000 square foot building

(g) Applicant's interest in the facility.

FEE TITLE (i.e. own) LEASE OTHER (describe below)

(h) If Applicant leases, state annual rent
and lease expiration date: \$790,380 / 2023

2. If any of the facilities described above are located within the State of New York, is it expected that any of the described facilities will be closed or be subject to reduced activity? If YES, complete the attached Anti-Raiding Questionnaire (Schedule D).

YES X NO _____

O. Operation at existing location(s) (Complete separate Section O for each existing location): See Rider annexed hereto

1. (a) Location: 55 Denton Avenue, New Hyde Park, NY

(b) Number of Employees: Full-Time: 165 Part-Time: _____

(c) Annual Payroll, excluding benefits: _____ (see above)

(d) Type of operation (e.g. manufacturing, wholesale, distribution)
and products or services: Administration/Light Manufacturing

(e) Size of existing facility real property
(i.e., acreage of land): _____

(f) Buildings (number and square footage of each): 1-56,136 square foot building

(g) Applicant's interest in the facility.

FEE TITLE (i.e. own) LEASE OTHER (describe below)

(h) If Applicant leases, state annual rent and lease expiration date: _____

2. If any of the facilities described above are located within the State of New York, is it expected that any of the described facilities will be closed or be subject to reduced activity? If YES, complete the attached Anti-Raiding Questionnaire (Schedule D).

YES X NO ____

O. Operation at existing location(s) (Complete separate Section O for each existing location): See Rider annexed hereto

1. (a) Location: 125 Railroad Avenue, Garden City Park, NY
(b) Number of Employees: Full-Time: 20 Part-Time: ____
(c) Annual Payroll, excluding benefits: (See above)
(d) Type of operation (e.g. manufacturing, wholesale, distribution) and products or services: Light Manufacturing
(e) Size of existing facility real property (i.e., acreage of land): _____
(f) Buildings (number and square footage of each): 1-10,700 square foot building
(g) Applicant's interest in the facility.

FEE TITLE (i.e. own) LEASE OTHER (describe below)

(h) If Applicant leases, state annual rent and lease expiration date: _____

2. If any of the facilities described above are located within the State of New York, is it expected that any of the described facilities will be closed or be subject to reduced activity? If YES, complete the attached Anti-Raiding Questionnaire (Schedule D).

YES X NO ____

O. Operation at existing location(s) (Complete separate Section O for each existing location): See Rider annexed hereto

persons or principal(s) have been connected, have any contractual or other relationship with the Agency or the County of Nassau? If YES, attach details.

YES ___

NO X

- S. Attach a brief history of the Applicant and its business/operations.

See Schedule H attached hereto

By signing this Application, the Applicant authorizes the Agency to obtain credit reports and other financial background information and perform other due diligence on the Applicant and/or any other entity or individual related thereto, as the Agency may deem necessary to provide the requested financial assistance.

PART II. PROPOSED PROJECT

- A. Description of proposed Project (check all that apply):

New Construction

Addition to Existing Facility

Renovation of Existing Facility

Acquisition of Facility

New machinery and equipment

Other (specify): ___ Relocation from existing facilities to new facility

- B. Briefly describe the proposed Project, the reasons why the Project is necessary to the Applicant and why the Agency's financial assistance is necessary, and the effect the Project will have on the Applicant's business or operations:

See Schedule H annexed hereto

- C. If the Applicant is unable to obtain financial assistance for the Project, what will be the impact on the Applicant and Nassau County? Would the Applicant proceed with the Project without Agency financial assistance? Describe.

See Schedule H annexed hereto

- D. Location of Project (attach map showing the location):

Street Address:

250 Duffy Avenue

City/Village(s):

Hicksville

Town(s):

Oyster Bay

School District(s):

#17 - Hicksville

Section: 11 ___ Block: G ___ Lot: 174 _____

Census Tract Number: _____

If exact street address is not available, please provide a survey and the most precise description available.

E. Describe the present use of the Project site: Assembly of vinyl windows _____

F. (a) What are the current real estate taxes on the Project site? (If amount of current taxes is not available, provide assessed value for each): \$303,693.75
2013/14 School Taxes - \$175,908.26
2013 General Taxes - \$127,785.49

Land: \$ _____ Building(s): \$ _____

(b) Are tax certiorari proceedings currently pending with respect to the Project real property? If YES, attach details including copies of pleadings, decisions, etc.

YES X NO ___

G. Describe Project ownership structure (i.e., Applicant or other entity):

Applicant will own Project

H. To what purpose will the building or buildings to be acquired, constructed or renovated be used by the Applicant? (Include description of goods to be sold, products to be manufactured, assembled or processed and services to be rendered.)

Design, manufacture and distribution of mechanical, electro-mechanical motion control components and sub-assemblies.

I. If any space in the Project is to be leased to or occupied by third parties, or is currently leased to or occupied by third parties who will remain as tenants, provide the names and contact information for each such tenant, indicate total square footage of the Project to be leased to each tenant, and describe proposed use by each tenant: Current owner of property expected to stay in occupancy of property pursuant to a Post-Closing Possession Agreement for a maximum period of twelve (12) months.

J. Provide, to the extent available, the information requested, in Part I, Questions A, B, E and O, with respect to any party described in the preceding response.

Information requested

K. List principal items or categories of equipment to be acquired as part of the Project:

Machinery in connection with business operations of the Applicant

L. Will Project meet zoning/land use requirements at proposed location?

YES X NO

1. Describe present zoning/land use: Industrial - LI
 2. Describe required zoning/land use, if different: N/A
 3. If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements: N/A
-
-

M. Does the Applicant, or any related entity or person, currently hold a lease or license on the Project site? If YES, please provide details and a copy of the lease/license.

YES NO X

N. Does the Applicant, or any related entity or person, currently hold fee title to (i.e. own) the Project site?

YES _____

NO x

If YES, indicate:

- (a) Date of purchase: _____
- (b) Purchase price: \$ _____
- (c) Balance of existing mortgage, if any: \$ _____
- (d) Name of mortgage holder: _____
- (e) Special conditions: _____

If NO, indicate name of present owner of Project site: P.M. Property of Nassau County Corp

- O. Does the Applicant or any related person or entity have an option or a contract to purchase the Project site and/or any buildings on the Project site?

YES _____

NO _____

Contract being negotiated but not yet signed

If YES, attach copy of contract or option and indicate:

- (a) Date signed: _____
- (b) Purchase price: \$ 8,000,000 _____
- (c) Closing date: On or before Dec. 31, 2013

Is there a relationship legally or by virtue of common control or ownership between the Applicant (and/or its principals) and the seller of the Project (and/or its principals)?

If YES, describe:

YES _____

NO x

- P. Will customers personally visit the Project site for either of the following economic activities? If YES with respect to either economic activity indicated below, complete the attached Retail Questionnaire (Schedule E).

Retail Sales: YES _____ NO X Services: YES _____ NO X

- Q. Describe the social and economic conditions in the community where the Project site is or will be located and the impact of the proposed Project on the community (including

impact on infrastructure, transportation, fire and police and other government-provided services):

See Schedule H annexed hereto

R. Identify the following Project parties (if applicable):

Architect: Peter Elkin
Engineer: Not yet determined
Contractors: Not yet determined

S. Will the Project be designed and constructed to comply with Green Building Standards? (if YES, describe the LEED green building rating that will be achieved):

Not yet determined

YES NO

T. Is the proposed Project site located on a Brownfield? (if YES, provide description of contamination and proposed remediation)

YES NO

U. Will the proposed Project produce a unique service or product or provide a service that is not otherwise available in the community in which the proposed Project site is located?

YES NO

PART III. PROJECT COSTS

A. Provide an estimate of cost of all items listed below:

	<u>Item</u>	<u>Cost</u>
1.	Land Acquisition	\$ <u>8,000,000</u>
2.	Building Acquisition	\$ _____
3.	Construction or Renovation	\$ <u>3,000,000</u>
4.	Site Work	\$ _____

5.	Infrastructure Work	\$ _____
6.	Engineering Fees	\$ _____
7.	Architectural Fees	\$ _____
8.	Applicant's Legal Fees	\$ _____
9.	Financial Fees (incl. lender legal fees)	\$ _____
10.	Other Professional Fees	\$ _____
11.	Furniture, Equipment & Machinery (not included in 3. above)	\$ <u>250,000</u>
12.	Other Soft Costs (describe)	\$ _____
13.	Other (describe)	\$ _____
	Total	\$ <u>11,250,000</u>

B. Source of Funds for Project Costs:

a.	Bank Financing:	\$ _____
b.	Equity	\$ <u>11,250,000</u>
	TOTAL	\$ <u>11,250,000</u>

C. Have any of the above costs been paid or incurred (including contracts of sale or purchase orders) as of the date of this application? If YES, describe particulars on a separate sheet.

YES _____ NO X

D. Has the Applicant made any arrangement for the provision of third party financing? If YES, indicate with whom (subject to Agency approval) and provide a copy of any term sheet or commitment letter issued with respect to such financing.

YES _____ NO X

E. Construction Cost Breakdown:

Total Cost of Construction: \$ 3,250,000 (sum of 3 and 11 in Question A above)

Cost for materials: \$ 1,750,000

% Sourced in County: 50 %

% Sourced in State: 100 % (incl. County)

Cost for labor: \$ 1,250,000

% Sourced in County: 50 %
 % Sourced in State: 100 % (incl. County)

Cost for "other": \$ 250,000
 % Sourced in County: 50 %
 % Sourced in State: 100 % (incl. County)

PART IV. COST/BENEFIT ANALYSIS

A. If the Applicant presently operates in Nassau County, provide the current annual payroll, excluding benefits. Estimate payroll, excluding benefits, in First Year, Second Year and Third Year after completion of the Project.

	<u>Present</u>	<u>First Year</u>	<u>Second Year</u>	<u>Third Year</u>
Full-time:	<u>\$14,000,000</u>	<u>\$13,420,000</u>	\$14,200,000	<u>\$14,800,000</u>
Part-time:	_____	_____	_____	_____
Seasonal:	_____	_____	_____	_____
Total Annual Payroll:	<u>\$14,000,000</u>	<u>\$13,420,000</u>	\$14,200,000	<u>\$14,800,000</u>

What are the average wages of employees (excluding benefits) presently employed by the Applicant in Nassau County? _____ (see Schedule H annexed hereto)

What is the average annual value of employee benefits paid per job, if any, for the employees presently employed by the Applicant in Nassau County? (see Schedule H annexed hereto) _____

What are the estimated average wages of the jobs (excluding benefits) to be created by the Applicant upon completion of the Project? _____ (same as above)

What is the estimated average annual value of employee benefits per job, if any, for jobs to be created upon completion of the Project? _____ (same as above)

Estimate the percentage of jobs to be created by the Applicant upon completion of the Project that will be filled by County residents: 90-100 %

Please note that the Agency may utilize the foregoing employment projections and the projections set forth in Schedule C, among other things, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the number of jobs, types of occupations and amount of payroll with respect to the Project set forth in this Application.

B. (i) Will the Applicant transfer current employees from existing location(s)? If YES, describe, please describe the number of current employees to be transferred and the location from which such employees would be transferred:

YES X NO

At the time the Premises are available to be occupied by the Applicant, all employees from current locations will be transferred to the Premises. _____

(ii) Describe the number of estimated full time equivalent construction jobs to be created as a result of undertaking the project, to the extent any:

150

C. What, if any, is the anticipated increase in the dollar amount of production, sales or services rendered as a result of the Project?

\$10,000,000

What percentage of the foregoing amount is subject to New York sales and use tax?

10 %

Describe any other municipal revenues that will result from the Project (excluding the above and any PILOT payments): NONE

D. What is the estimated aggregate annual amount of goods and services to be purchased by the Applicant for each year after completion of the Project and what portion will be sourced from businesses located in the County and the State (including the County):

	<u>Amount</u>	<u>% Sourced in County</u>	<u>% Sourced in State</u>
Year 1	<u>\$50,000</u>	<u>75</u>	<u>100</u>
Year 2	<u>\$50,000</u>	<u>75</u>	<u>100</u>
Year 3	<u>\$50,000</u>	<u>75</u>	<u>100</u>

E. Describe, if applicable, other benefits to the County anticipated as a result of the Project, including a projected annual estimate of additional sales tax revenue generated, directly and indirectly, as a result of undertaking the project:

See Schedule H annexed hereto

F. Costs to the County and affected municipalities:

Estimated Value of Sales Tax Exemption: \$ 172,500

Estimated Value of Mortgage Tax Exemption: \$ -0-

Estimated Property Tax Exemption: \$ TBD

Existing Property Tax paid on the Land and/or Building: (please provide current tax bills) \$ 303,694

Estimated new Real Property Tax Revenue if the Project did **not** receive Real Property Tax exemption: \$ TBD

Estimated new Real Property Tax Revenue if the Project does receive Real Property Tax exemption: \$ _____

G. Describe any other one-time municipal revenues (not including fees payable to the Agency) that the Project will create:

PART V. PROJECT CONSTRUCTION SCHEDULE

A. Has construction work on the Project begun? If YES, indicate the percentage of completion: NO

- | | | | | | |
|-------------------------------|-----|-----|----|-----|----------------|
| 1. (a) Site clearance | YES | ___ | NO | ___ | ___ % complete |
| (b) Environmental Remediation | YES | ___ | NO | ___ | ___ % complete |
| (c) Foundation | YES | ___ | NO | ___ | ___ % complete |
| (d) Footings | YES | ___ | NO | ___ | ___ % complete |
| (e) Steel | YES | ___ | NO | ___ | ___ % complete |

- (f) Masonry YES ___ NO ___ ___% complete
- (g) Interior YES ___ NO ___ ___% complete
- (h) Other (describe below): YES ___ NO ___ ___% complete

2. If NO to all of the above categories, what is the proposed date of commencement of construction, renovation or acquisition of the Project?

The Applicant shall commence the permitting process shortly after closing.

B. Provide an estimate of time schedule to complete the Project and when the first use of the Project is expected to occur (attach additional sheet if necessary):

9-12 months

PART VI. ENVIRONMENTAL IMPACT

A. What is the expected environmental impact of the Project? (Complete the attached Environmental Assessment Form (Schedule G)).

Minimal impact

B. Is an environmental impact statement required by Article 8 of the N.Y. Environmental Conservation Law (i.e., the New York State Environmental Quality Review Act)?


YES ___

NO X

C. Please be advised that the Agency may require at the sole cost and expense of the Applicant the preparation and delivery to the Agency of an environmental report in form and scope satisfactory to the Agency, depending on the responses set forth in the Environmental Assessment Form. If an environmental report has been or is being prepared in connection with the Project, please provide a copy.

D. The Applicant authorizes the Agency to make inquiry of the United States Environmental Protection Agency, the New York State Department of Environmental Conservation or any other appropriate federal, state or local governmental agency or authority as to whether the Project site or any property adjacent to or within the immediate vicinity of the Project site is or has been identified as a site at which hazardous substances are being or have been used, stored, treated, generated, transported, processed, handled, produced, released or disposed of. The Applicant will be required to secure the written consent of the owner of the Project site to such inquiries (if the Applicant is not the owner), upon request of the Agency.

THE UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true, correct and complete.

Name of
Applicant: Designatronics Incorporated
Signature: 
Name: Michael Walsh
Title: Chairman of the Board
Date: November 26, 2013.

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

Notary Public

**RULES AND REGULATIONS OF THE NASSAU COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

The Nassau County Industrial Development Agency (the "Agency"), in order to better secure the integrity of the projects it sponsors, declares that it is in the public interest (i) to ensure the continuity of such projects and the jobs created by such projects, (ii) to prevent the conversion of the use of the premises upon which a sponsored project is to be constructed or renovated and (iii) to limit and prevent unreasonable profiteering or exploitation of a project, and does hereby find, declare and determine as follows:

FIRST:

Upon the approval of a sponsored project, the Agency shall take title to, or acquire a leasehold or other interest in, all premises upon which an Agency sponsored project is to be constructed or renovated, and shall lease, sublease, license, sell or otherwise transfer the premises to the Applicant for a term to be determined by the Agency.

At such time as, among other things, the Applicant fails to retain or create the jobs as represented in the Application or changes the use of the project or ownership of the project or the Applicant during the life of the project in a manner inconsistent with the Application, and such employment default or change of use or ownership does not meet with the prior written approval of the Agency, a recapture of benefits may be required to be paid by the Applicant to the Agency. The amount and sufficiency (with respect to a particular applicant) of the applicable recapture of benefits payment shall be determined by the Agency and shall be set forth in the straight lease documents.

SECOND:

At such time as a proposed Project is reviewed, the members of the Agency must disclose any blood, marital or business relationships they or members of their families have or have had with the Applicant (or its affiliates). The Applicant represents that no member, manager, principal, officer or director of the Applicant has any such relationship with any member of the Agency (or any member of the family of any member of the Agency).

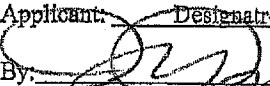
THIRD:

All applicants must disclose whether they have been appointed, elected or employed by New York State, any political division of New York State or any other governmental agency.

FOURTH:

All proposed lenders, title companies and their respective attorneys must be satisfactory to and approved in writing by the Agency.

Understood and Agreed to:

Name of
Applicant: Designatronics Incorporated
By: 
Name/Title: Michael Walsh, Chairman of the Board

**CERTIFICATION AND AGREEMENT
WITH RESPECT TO FEES AND COSTS**

The undersigned deposes and says: that I am an authorized representative of the Applicant named in the attached application for financial assistance ("Application") and that I hold the office specified below my signature at the end of this Certification and Agreement, that I am authorized and empowered to deliver this Certification and Agreement and the Application for and on behalf of the Applicant, that I am familiar with the contents of said Application (including all schedules and attachments thereto), and that said contents are true, correct and complete to my knowledge. Capitalized terms used but not otherwise defined in this Certification and Agreement shall have the meanings assigned to such terms in the Application.

The grounds of my belief relative to all matters in the Application that are not based upon my own personal knowledge are based upon investigations I have made or have caused to be made concerning the subject matter of this Application, as well as upon information acquired in the course of my duties and from the books and records of the Applicant.

As an authorized representative of the Applicant, I acknowledge and agree on behalf of the Applicant that the Applicant hereby releases the Nassau County Industrial Development Agency, its members, officers, servants, attorneys, agents and employees (collectively, the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend (with counsel selected by the Agency) and hold the Agency harmless from and against any and all liability, damages, causes of actions, losses, costs or expenses incurred by the Agency in connection with: (A) examination and processing of, and action pursuant to or upon, the Application, regardless of whether or not the Application or the financial assistance requested therein are favorably acted upon by the Agency, (B) the acquisition, construction and/or installation of the Project by the Agency, and (C) any further action taken by the Agency with respect to the Project; including, without limiting the generality of the foregoing, (i) all fees and expenses of the Agency's general counsel, transaction counsel, economic development consultant, real property tax valuation consultant and other experts and consultants (if deemed necessary or advisable by the Agency), and (ii) all other expenses incurred by the Agency in defending any suits, actions or proceedings that may arise as a result of any of the foregoing. If, for any reason whatsoever, 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 is unable to secure third party financing or otherwise fails to conclude the Project, then upon presentation of an invoice by the Agency, its agents, attorneys or assigns, the Applicant shall pay to the Agency, its agents, attorneys or assigns, as the case may be, all fees and expenses reflected in any such invoice.

As an authorized representative of the Applicant, I acknowledge and agree on behalf of the Applicant that each of the Agency's general counsel, transaction counsel, economic development consultant, real property tax valuation consultant and other experts and consultants is an intended third-party beneficiary of this Certification and Agreement, and that each of them may (but shall not be obligated to) enforce the provisions of the immediately preceding paragraph, whether by lawsuit or otherwise, to collect the fees and expenses of such party or person incurred by the Agency (whether or not first paid by the Agency) with respect to the Application.

Upon successful closing of the "straight lease" transaction, the Applicant shall pay to the Agency an administrative fee set by the Agency (which amount is payable at closing) in accordance with the following schedule:

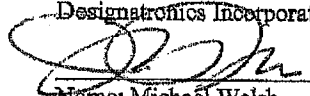
- (A) Six-tenths (6/10) of one percent (1%) for the first twenty million dollars (\$20,000,000) of total project costs and, if applicable, two-tenths (2/10) of one percent (1%) for any additional amounts in excess of twenty million dollars (\$20,000,000) of total project costs.

- (D) General Counsel Fee -- One-tenth (1/10) of one percent (1%) of total project costs, with a minimum fee of \$2,000.
- (E) Two Thousand Five Hundred Dollars (\$2,500) closing compliance fee payable at closing and One Thousand Dollars (\$1,000) per year (or part thereof) administrative fee, payable in advance, at the closing for the first year (or part thereof) and on January 1st of each year for the term of the financing. The annual service fee is subject to periodic review and may be adjusted from time to time in the discretion of the Agency.
- (F) Refinancings -- The Agency fee shall be determined on a case-by-case basis.
- (G) Assumptions -- The Agency fee shall be determined on a case-by-case basis.
- (H) Modifications -- The Agency fee shall be determined on a case-by-case basis.

Transaction counsel fees and expenses are payable at closing and are based on the work performed in connection with the Project.

Upon the termination of the Project, Applicant agrees to pay all costs in connection with any conveyance by the Agency to the Applicant of the Agency's interest in the Project and the termination of all related Project documents, including the fees and expenses of the Agency's general counsel, transaction counsel, and all applicable recording, filing or other related fees, taxes and charges.

Designatronics Incorporated



Name: Michael Walsh

Title: Chairman of the Board

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

Notary Public

TABLE OF SCHEDULES:

<u>Schedule</u>	<u>Title</u>	<u>Complete as Indicated Below</u>
A.	Intentionally omitted	
B.	New York State Financial and Employment Requirements for Industrial Development Agencies	All applicants
C.	Guidelines for Access to Employment Opportunities	All applicants
D.	Anti-Raiding Questionnaire	If Applicant checked "YES" in Part I, Question Q.2. of Application
E.	Retail Questionnaire	If Applicant checked "YES" in Part II, Question P of Application (See Page 11)
F.	Applicant's Financial Attachments, consisting of:	All applicants
	1. Applicant's audited financial statements for the last two fiscal years (unless included in Applicant's annual reports).	
	2. Applicant's annual reports (or Form 10-K's) for the two most recent fiscal years.	
	3. Applicant's quarterly reports (Form 10-Q's) and current reports (Form 8-K's) since the most recent Annual Report, if any.	
	4. In addition, attach the financial information described above in items F1, F2, and F3 of any anticipated Guarantor of the proposed transaction, if different than the Applicant, including the personal financial statement of any anticipated Guarantor that is a natural person.	
	5. Dun & Bradstreet report.	
G.	Environmental Assessment Form	All applicants
H.	Other Attachments	As required

Schedule A

Intentionally omitted

**NEW YORK STATE FINANCIAL AND EMPLOYMENT REPORTING
REQUIREMENTS FOR INDUSTRIAL DEVELOPMENT AGENCIES**

- A. Pursuant to applicable law, the Agency requires the completion of an Initial Employment Plan (see Schedule C) and a year-end employment plan status report, both of which shall be filed by the Nassau County Industrial Development Agency (the "Agency") with the New York State Department of Economic Development on January 15. The Project documents will require the Applicant to provide such report to the Agency on or before January 1 of each year, together with such employment verification information as the Agency may require.

Except as otherwise provided by collective bargaining agreements, the Applicant agrees to list any new employment opportunities with the New York Department of Labor Community Services Division and the administrative entity of the service delivery area created by the Federal Job Training Partnership Act (P.L. 97-300), or any successor statute thereto (the "JTPA Entities"). In addition, except as otherwise provided by collective bargaining agreements, the Applicant, where practicable, will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for such new employment opportunities.

- B. The Applicant will be required to file annually a statement with the New York State Department of Taxation and Finance and the Agency of the value of all sales or use tax exemptions claimed in connection with the Project by reason of the involvement of the Agency.


- C. Please be advised that the New York State Industrial Development Agency Act imposes additional annual reporting requirements on the Agency, and the Applicant will be required to furnish information in connection with such reporting, as follows:

The following information must be provided for straight-lease transactions entered into or terminated during the year:

Name, address and owner of the project; total amount of tax exemptions granted (broken out by state and local sales tax, property taxes, and mortgage recording tax); payments in lieu of taxes made; total real estate taxes on the Project prior to exemption; number of jobs created and retained, and other economic benefits realized.

Failure to provide any of the aforesaid information will be constitute a **DEFAULT** under the Project documents to be entered into by the Agency and the Applicant in connection with the proposed Project.

Please sign below to indicate that the Applicant has read and understood the above and agrees to provide the described information on a timely basis.

Name of
Applicant: Designatronics Incorporated
Signature: 
Name: Michael Walsh
Title: Chairman of the Board
Date: November 26, 2013

YES X

NO _____

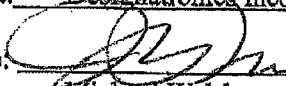
IF YES, Union Name and Local: Local 463 IUE-CWA

Please note that the Agency may utilize the foregoing employment projections, among other things, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the above number of jobs, types of occupations and amount of payroll with respect to the proposed project.

Attached hereto is a true, correct and complete copy of the Applicant's most recent Quarterly Combined Withholding, Wage Reporting, and Unemployment Insurance Return (Form NYS-45-MN) (first page only). Upon request of the Agency, the Applicant shall provide such other or additional information or documentation as the Agency may require with respect to the Applicant's current employment levels in the State of New York.

The UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true, correct and complete.

Name of
Applicant: Designatronics Incorporated

Signature: 

Name: Michael Walsh

Title: Chairman of the Board

Date: November 26, 2013

ANTI-RAIDING QUESTIONNAIRE

(To be completed by Applicant if Applicant checked "YES" in Part I, Question Q.2 of the Application for Financial Assistance)

F. Will the completion of the Project result in the removal of a plant or facility of Applicant, or of a proposed occupant of the Project, from an area in New York State (but outside of Nassau County) to an area within Nassau County?

YES _____ NO X

If the answer to Question A is YES, please provide the following information:

Address of the to-be-removed plant or facility: _____

Names of all current occupants of the to-be-removed plant or facility: _____

F. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Applicant, or of a proposed occupant of the Project, located in an area of the State of New York other than in Nassau County?

YES _____ NO X

If the answer to Question B is YES, please provide the following information:

Addresses of the to-be-abandoned plants or facilities: _____

Names of all current occupants of the to-be-abandoned plants or facilities: _____

F. Has the Applicant contacted the local industrial development agency at which its current plants or facilities in New York State are located with respect to the Applicant's intention to move or abandon such plants or facilities? N/A

YES _____ NO _____

If the answer to Question C is YES, please provide details in a separate attachment.

IF THE ANSWER TO EITHER QUESTION A OR B IS "YES", ANSWER QUESTIONS D AND E.

D. Is the Project reasonably necessary to preserve the competitive position of the Applicant, or of a proposed occupant of the Project, in its industry?

YES X

NO

E. Is the Project reasonably necessary to discourage the Applicant, or a proposed occupant of the Project, from removing such plant or facility to a location outside of the State of New York?

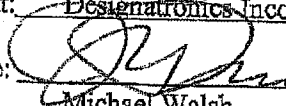
YES X

NO

See Attachment immediately following for list of out-of-state properties being considered for relocation to mat

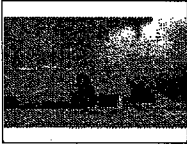
IF THE ANSWER TO EITHER QUESTION D OR E IS "YES", PLEASE PROVIDE DETAILS IN A SEPARATE ATTACHMENT.

THE UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true, correct and complete.

Name of Applicant: Desigenatronics Incorporated
Signature: 
Name: Michael Walsh
Title: Chairman of the Board
Date: November 26, 2013

Properties for Sale New Jersey 80,000-100,000 Square Feet

1 208 Passaic Ave, Fairfield, NJ 07004

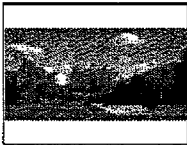


Price	Price Not Disclosed	Property Notes
Building Size	100,000 SF	
Property Sub-type	Manufacturing	
Status	Active	

Property Description

Well maintained warehouse distribution location with 6 Tailgates and 1 Drive-in Loading door and ample parking. Additional uses include. production, assembly or light manufacturing.

2 10 Ruckle Ave, Farmingdale, NJ 07727



Price	\$8,700,000	Property Notes
Building Size	102,000 SF	
Property Sub-type	Manufacturing	
Status	Active	

Property Description

Unique Rail Served Industrial Property. Ideal for Warehousing, Manufacturing, Rail Yard, Intermodal Transportation Station. 27 acres, 13 developed with 102 sq ft industrial building, 2-500 ft rail spurs, 6 rail loading docks, 8 truck docks, internal crane ways, process water cooling system and filtration tanks, truck scale, material transfer system. Class 1 Railroad Service with exterior hoist system, and man walks. 14" epoxy floors, 24' ceilings. 3 phase, 480 volt, 7,000 amp electrical. Ability to build additional 200,000 sq.ft. on property. One existing access road, one existing curb cut on Route 34 South, additional access available on property.

3 345 Nye Ave., Irvington, NJ 07111

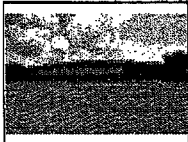


Price	\$3,499,000	Property Notes
Building Size	100,000 SF	
Property Sub-type	Warehouse	
Status	Active	

Property Description

100,000 sq.ft. available with 1 acre of paved and fenced parking. 6,500 sq.ft. Modern loft style office space . Unit 1: Divisible to 40-45k sq.ft. 14'-18' ceilings 6 docks, 1 drive-in door, \$4.50 nnn Unit 2: 60,000 sq.ft. Manufacturing space 2 story 12' ceiling, heavy power, 2 Elevators, Office to suit. \$ 3.00 nnn Sale: \$3,499,000

4 1170 Florence-Columbus Road, Mansfield, NJ 08022



Price \$7,000,000
Building Size 112,892 SF
Property Sub-type Manufacturing
Status Active

Property Notes

Property Description

103,552 SF Plant/Warehouse 20'-24' Clear Ceiling Height Built 1983; pre-cast masonry lower walls and metal panel on steel frame upper walls Tailgate Loading Drive-In Loading Cranes - Seventeen (17) Bridge Cranes ranging 1 ton to 5 ton 2000 Amps Power Current use Truck Trailer Manufacturing Zoning is ODL- Great Potential for Re-Development

5 6965 Airport Highway Lane, Pennsauken, NJ 08109



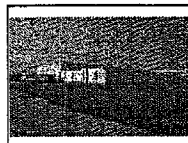
Price \$3,250,000
Building Size 103,000 SF
Property Sub-type Warehouse
Status Active

Property Notes

Property Description

103,000±SF building on 5.5± acres. Loading: 7 tailgates / 1 drive-in. Ceiling height: 15' - 27'. 7.5 ton hand-operated crane. Gas radian heaters in warehouse. Heavy power 5,000+ Amps. 104 car parking. Public water/public sewer. Taxes (2011) \$128,206. 5,600± SF office area and 2,840± SF employee area.

6 45 Griffith St, Salem, NJ 08079-1056



Price Price Not Disclosed
Building Size 92,000 SF
Property Sub-type Warehouse
Status Active

Property Notes

Property Description

Former Manufacturing Facility for Fortune 500 Company. 10 Minutes from Logan Logistics. Owner is willing to sell - negotiable price

Properties for Sale Pennsylvania 80,000-130,000 Square Feet

1 1211 Ford Rd, Bensalem, PA 19020



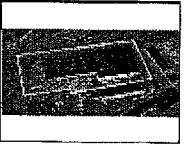
Price \$3,990,000
Building Size 103,421 SF
Property Sub-type Manufacturing
Status Active

Property Notes

Property Description

There are two (2) six-way pendant controlled cranes; one 2-ton and one 3-ton with 12' 6" clearance under hook, span of 27' and traveling distance of 521' 8". Primary electrical service provided by a 13 KV high tension service with 3 transformers; one 2000 KVA, 277/480 volt; and two 500 KVA, 240 volt. Existing service can provide up to 4000 KVA service. Modern one-story building with the exception of 720 square feet of second-story shop offices not included in total size. Taxes are 50 cents per square foot. Building is located in an Enterprise Zone.

2 2244 Old Gettysburg Road, Camp Hill, PA 17011



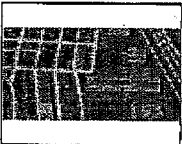
Price \$2,995,000
Building Size 115,405 SF
Property Sub-type Warehouse
Status Active

Property Notes

Property Description

Rare hard to find stand-alone rail served industrial warehouse building available for sale or lease. Space can be demised. Excellent user/occupied opportunity. Abundant loading and Norfolk Southern rail spur (exterior) access. Property is located in designated "Enterprise Corridor" which provides a number of economic, tax and financing benefits as well as priority consideration for state contracts. (See attached CREDC list.)

3 2969 N. 7th Street, Harrisburg, PA 17110



Price \$1,470,000
Building Size 85,000 SF
Property Sub-type Warehouse
Status Active

Property Notes

Property Description

Well located industrial property suitable for distributor/storage or manufacturing. Many upgrades in 2002. Present use: warehouse for national furniture company. Substantial upgrades in 2002. Wet sprinkler system in 51,000 SF in compliance with PA Act II environmental remediation. Can be subdivided 51,000 Front - 3,770 SF Office. 34,00 Rear - 1,830 SF Office.

4 10 Council Ave, Wheatland, PA 16161



Price	\$2,500,000
Building Size	115,944 SF
Property Sub-type	Manufacturing
Status	Active

Property Notes

Property Description

24' Clear ceiling height, 25'x60' column spacing. 8 Interior loading docks, 2-12'x18' drive-in doors, 3 phase power, rubber membrane roof, 60' clear span, full fire suppression. Insulated steel frame and masonry wall built in 1968 and renovated in 1991. Updated 2010, high efficient lighting. Excellent logistic area mid way point New York to Chicago & Cleveland to Pittsburgh.

5 30 North 3rd Street, Womelsdorf, PA 19567



Price	\$699,000
Building Size	120,000 SF
Property Sub-type	Manufacturing
Status	Active

Property Notes

Property Description

120,000 SF @ \$5.83/SF - MAKE AN OFFER ! NAI Keystone's Bryan Cole and Steve Willems are pleased to announce the sale or lease of a 120,000 sf. warehouse/manufacturing plant located along Rt. 419. The building consists of single story warehouse and two story offices. The building which was built in various stages is situated on 5.05 acres has, 18' ceilings in certain sections and approximately 4-8 docks. The site has 3 phase electric and natural gas heat.

RETAIL QUESTIONNAIRE

(To be completed by Applicant if Applicant checked either "YES" in Part II, Question P of the Application for Financial Assistance)

F. Will any portion of the Project (including that portion of the cost to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making retail sales to customers who personally visit the Project?

YES _____ NO _____

For purposes of Question A, the term "retail sales" means (i) sales by a registered vendor under Article 28 of Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

F. If the answer to Question A is YES, what percentage of the cost of the Project (including that portion of the cost to be financed from equity or other sources) 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?

_____ %

F. If the answer to Question A is YES, and the amount entered for Question B is greater than 33.33%, indicate whether any of the following apply to the Project:

F. Will the Project be operated by a not-for-profit corporation?

YES _____ NO _____

2. Is the Project likely to attract a significant number of visitors from outside the economic development region (i.e., Long Island) in which the Project is or will be located?

YES _____ NO _____

3. 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 _____

4. Is the predominant purpose of the Project to make available goods or services which 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 _____

5. Will the Project be located in one of the following: (a) an area designed as an economic development zone pursuant to Article 18-B of the General Municipal Law; or (b) 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 (i) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of the households receiving public assistance, and (ii) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates?

YES _____ NO _____

If the answer to any of the subdivisions 1 through 5 of Question C is YES, attach details.

- D. If the answer to any of the subdivisions 3 through 5 of Question C 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? If YES, attach details.

YES _____ NO _____

- E. State percentage of the Applicant's annual gross revenues comprised of each of the following:

Retail Sales: _____% Services: _____%

- F. State percentage of Project premises utilized for same:

Retail Sales: _____% Services: _____%

The UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true, correct and complete.

Name of Applicant: _____
Signature: _____
Name: _____
Title: _____
Date: _____

APPLICANT'S FINANCIAL ATTACHMENTS

See Financial Statements for FYE 9/30/12 and 9/30/11

**DESIGNATRONICS INCORPORATED
AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2012 and 2011

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Consolidated Statements of Stockholders' Equity	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7 - 12



Schenck
SC

CPAs AND SO MUCH MORE.

INDEPENDENT AUDITORS' REPORT

Board of Directors
Designatronics Incorporated and Subsidiaries
New Hyde Park, New York

We have audited the accompanying consolidated balance sheets of Designatronics Incorporated and Subsidiaries as of September 30, 2012 and 2011, and the related consolidated statements of income, retained earnings and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As more fully described in Note 2 to the consolidated financial statements, generally accepted accounting principles require that goodwill be tested annually for impairment. The Company has not performed this test of impairment in the accompanying consolidated financial statements for the years ended September 30, 2012 and 2011, and the effects of this departure from generally accepted accounting principles have not been determined.

In our opinion, except for the effects of the matter discussed in the preceding paragraph, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Designatronics Incorporated and Subsidiaries as of September 30, 2012 and 2011, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Schenck SC

Certified Public Accountants

Milwaukee, Wisconsin
February 18, 2013

DESIGNATRONICS INCORPORATED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
September 30, 2012 and 2011

ASSETS	<u>2012</u>	<u>2011</u>
<u>Current assets</u>		
Cash and cash equivalents		
Accounts receivable, less allowance for doubtful accounts of \$137,000 and \$156,000, respectively		
Inventories		
Prepaid expenses		
Refundable income taxes		
Total current assets		
<u>Property and equipment</u>		
Leasehold improvements		
Machinery and equipment		
Molds and tooling		
Furniture and fixtures		
Computer equipment		
Vehicles		
Less accumulated depreciation		
Net property and equipment		
<u>Other assets</u>		
Goodwill		
Other		
Total other assets		

See notes to consolidated financial statements.

LIABILITIES AND SHAREHOLDER EQUITY

2012

2011

Current liabilities

Accounts payable
Notes payable - related party
Accrued wages, vacation and commissions
Accrued expenses and other current liabilities
Accrued DISC commissions
Due to former shareholders

Total current liabilities

Long-term liabilities

Accrued executive benefits

Total liabilities

Shareholder equity

Common stock, \$.04 par value:
Authorized, issued and outstanding, 1,000 shares
Additional paid-in capital
Retained earnings

Total shareholder equity

DESIGNATRONICS INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
Years Ended September 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Net sales		
Cost of sales		
Gross profit		
Selling, general and administrative expenses		
Operating income		
Other income (expense):		
DISC commissions		
Other income		
Total other expense, net		
Net income		

See notes to consolidated financial statements.

DESIGNATRONICS INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Years Ended September 30, 2012 and 2011

	<u>Common Stock</u>	<u>Additional Paid- in Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance, September 30, 2010				
Net Income				
Distributions				
Balance, September 30, 2011				
Net Income				
Capital contribution				
Balance, September 30, 2012				

See notes to consolidated financial statements.

DESIGNATRONICS INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended September 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<u>Operating activities</u>		
Net income		
Adjustments to reconcile net income to net cash provided by operating activities:		
(Gain) loss on sale of property and equipment		
Depreciation		
Decrease (increase) in:		
Accounts receivable		
Inventories		
Prepaid expenses		
Refundable income taxes		
Other assets		
Increase (decrease) in:		
Accounts payable		
Accrued wages, vacation and commissions		
Accrued expenses and other current liabilities		
Accrued executive benefits		
Accrued DISC commissions		
Net cash provided by operating activities		
<u>Investing activities</u>		
Purchase of property and equipment		
Proceeds from sale of property and equipment		
Net cash used for investing activities		
<u>Financing activities</u>		
Capital contribution		
Payment of note payable - related party		
Payment for acquisition of common stock from former shareholders		
Payment of distributions		
Net cash used for financing activities		
<u>Cash and cash equivalents</u>		
Net increase (decrease)		
Beginning of year		
End of year		
<u>Supplemental cash flow information</u>		
Cash paid for:		
Interest		

See notes to consolidated financial statements.

DESIGNATRONICS INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2012 and 2011

Note 1 - Nature of business and summary of significant accounting policies

A. Principles of consolidation and nature of business

The consolidated financial statements include the accounts of Designatronics Incorporated and its wholly owned subsidiaries: Techno Inc., P & G Manufacturing Corp., Quality Bearings & Components, Inc. and Accusonics Systems Corp. (collectively referred to as "Company"). All material intercompany balances and transactions have been eliminated upon consolidation.

The Company is engaged in the design, manufacture and marketing of a wide variety of mechanical components, electro-mechanical components, automation machinery, CAD/CAM systems and off-the-shelf linear motion and rotary motion control components. The Company sells and extends credit to a customer base throughout the world.

B. Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

C. Concentration of credit risk

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. Management believes the Company is not exposed to any significant credit risk on cash.

D. Cash equivalents

For purposes of the consolidated statement of cash flows, the Company considers their investment in the Virtus Insight Tax-Exempt Money Market Fund to be a cash equivalent.

E. Accounts receivable

Accounts receivable are stated at the amount the Company expects to collect from outstanding balances. The Company provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after the Company has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

DESIGNATRONICS INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED
September 30, 2012 and 2011

Note 1 - Nature of business and summary of significant accounting policies, continued

F. Inventory valuation

Inventories are stated at lower of cost, determined on the first-in, first-out method, or market. The reserve for excess inventory is an estimate made by management of the Company based on actual usage. Because of the inherent uncertainties in estimating future sales, it is at least reasonably possible that the estimates used will change within the near term. Any subsequent differences are recorded in the period in which they are determined.

G. Property, equipment and depreciation

Property and equipment are stated at cost. Expenditures for additions and improvements are capitalized while replacements, maintenance and repairs which do not improve or extend the lives of the respective assets are expensed currently as incurred. Properties sold or otherwise disposed of are removed from the property accounts, with gains or losses on disposal credited or charged to the results of operations.

Depreciation for financial reporting purposes is provided over the estimated useful lives of the respective assets, using the straight-line method. For income tax purposes, depreciation is computed substantially by use of accelerated methods. Leasehold improvements are amortized over the terms of their applicable leases or their useful lives, whichever is less.

H. Income taxes

The Company is included in the consolidated federal income tax return of DD&D Acquisition Company, the Company's parent company. The Company has elected to be taxed as an S Corporation under the provisions of the Internal Revenue Code and certain state statutes effective September 1, 2006. Under those provisions, the Company does not pay federal and state corporate income taxes on its taxable income and is not allowed a deduction for losses. Instead, the shareholder is liable for individual federal and state income taxes or is allowed a deduction for the Company's taxable loss on its individual income tax return. The Company may make periodic distributions to its shareholder to enable it to pay the income taxes which are due on the Company's taxable income.

The Company follows the guidance for accounting for uncertainties in income taxes which is part of FASB ASC 740, Income Taxes. This guidance increases the relevancy and comparability of financial reporting by clarifying the way companies account for uncertainties in income taxes for tax positions taken or expected to be taken. It makes recognition and measurement more consistent as well as offering clear criteria for subsequently recognizing, derecognizing and measuring such tax positions for financial statement purposes.

Penalties and interest assessed by income taxing authorities are included in selling, general and administrative expenses, if applicable. The Company had no interest and penalties related to income taxes for the years ended September 30, 2012 and 2011. The Company's federal income tax returns are subject to examination generally for three years after they are filed and its state income tax returns generally for four years after they are filed.

DESIGNATRONICS INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED
September 30, 2012 and 2011

Note 1 - Nature of business and summary of significant accounting policies, continued

I. Revenue recognition

Revenue is recognized on sales of products upon shipment to the customer, which is when the risk of ownership passes.

J. Research and development costs

Research and development costs are charged to expense in the year incurred. The amounts expensed for the years ended September 30, 2012 and 2011 were approximately and respectively.

K. Advertising costs

The Company expenses advertising costs as they are incurred. Advertising expenses for the years ended September 30, 2012 and 2011 were approximately and respectively.

L. Shipping and handling costs

Shipping and handling costs are expensed as incurred. Costs of approximately and are included in selling, general and administrative expenses in the accompanying consolidated statements of income for the years ended September 30, 2012 and 2011, respectively.

M. Subsequent events

The Company has evaluated events and transactions for potential recognition or disclosure in the consolidated financial statements through February 18, 2012, the date on which the financial statements were available to be issued.

Note 2 - GAAP departure and goodwill

Goodwill represents the excess of the purchase price of assets acquired in a business combination over the fair value of the assets at the date of acquisition. Accounting principles generally recognized in the United States of America require goodwill to be subjected to an annual impairment test. The Company has not subjected goodwill to an impairment test for the years ended September 30, 2012 and 2011. The effects of this departure from generally accepted accounting principles have not been determined.

DESIGNATRONICS INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED
September 30, 2012 and 2011

Note 3 - Inventories

Inventories at September 30, 2012 and 2011 are summarized as follows:

	<u>2012</u>	<u>2011</u>
Raw materials		
Work in process and semi-finished components		
Finished stock		
Reserve for excess inventory		
Total		

Note 4 - Line of credit

The Company has a line of credit agreement with Citibank, NA which expires on March 31, 2013. The agreement permits aggregate outstanding borrowings up to a maximum of [redacted]. The interest rate is at prime less [redacted] plus one month LIBOR. The agreement is secured by substantially all assets of the Company. The agreement also contains various restrictive covenants. There was no outstanding balance on this line of credit at September 30, 2012 and 2011.

Note 5 - Note payable - related party

The Company had entered into two Subordinated Notes with a related party. The first note dated September 23, 2009 had an initial borrowing amounting to [redacted] with an interest rate on the note of [redacted]. The second note was dated October 27, 2009 had an initial borrowing amounted to [redacted] with an interest rate of [redacted]. The outstanding balance was [redacted] at September 30, 2012 and 2011, respectively.

Note 6 - Leases

The Company rents manufacturing, warehouse and office space under operating leases expiring at various dates through April, 2023. The Company is obligated to pay operating expenses and real estate taxes in addition to the annual rent. The minimum annual rentals are as follows:

DESIGNATRONICS INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED
September 30, 2012 and 2011

Note 6 - Leases, continued

Year ended
September 30,

2013

2014

2015

2016

2017

Thereafter

Total

Rent expense and real estate taxes for the years ended September 30, 2012 and 2011 were approximately as follows:

	<u>2012</u>	<u>2011</u>
Rent		
Real estate taxes		
Total rental and taxes		

Note 7 - Employment agreements

A. Executive agreements

The Company has employment agreements with three executives which provide for an annual salary through December, 2013. These agreements also provide for annual bonuses to each of the officers if the Company's earnings before interest, taxes and certain other expenses exceed certain amounts. The agreements also provide that each of the executives will continue to receive a salary during the two years following their termination of employment, and life and health insurance benefits for a six to eight year period following their termination of employment. Two of the executives will also be provided with the use of a vehicle for a four year period following their termination of employment. As of September 30, 2012 and 2011, the Company estimates the cost of these post employment benefits to be _____ and _____ respectively, which are accrued on the Company's financial statements. Deferred compensation expense under this agreement amounted to _____ for the years ended September 30, 2012 and 2011, respectively.

DESIGNATRONICS INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED
September 30, 2012 and 2011

Note 7 - Employment agreements, continued

B. Vice president agreements

The Company has employment agreements with two divisional vice presidents which provide for an annual salary through September, 2013. These agreements automatically extend each year unless either the vice president or Company elects to terminate the agreement. The Company has also instituted an incentive bonus plan for these divisional vice presidents. The plan provides for annual bonuses based on a formula similar to the two executive agreements.

Note 8 - Employee benefit plans

The Company has a defined contribution plan covering substantially all employees other than employees covered under collective bargaining agreements. This plan allows contributions by employees under Section 401(k) of the Internal Revenue Code. The plan also allows the Company to make matching and profit sharing contributions at their discretion. The Company did not make any matching contributions for the years ended September 30, 2012 and 2011. The Company made discretionary profit sharing contributions of approximately _____ for the years ended September 30, 2012 and 2011, respectively.

Contributions to multi-employer defined benefit pension plans for union employees aggregated approximately _____ for the years ended September 30, 2012 and 2011, respectively. Separate actuarial calculations of the Company's position are not available with respect to the multi-employer plans. The Multi-Employer Pension Plan Amendments Act established funding requirements and obligations for employers participating in multi-employer plans, principally related to employer withdrawal from or termination of such plans.

Note 9 - Related party transactions

The Company has DISC export agreements with interest-charge domestic international sales corporations (DISC) that are considered related parties.

For the years ended September 30, 2012 and 2011, the Company operated under a DISC export agreement with Dyson, Dyson and Dunn Export, LTD. DISC commission expense under this agreement amounted to _____ for the years ended September 30, 2012 and 2011, respectively, of which _____ are included in accrued liabilities at September 30, 2012 and 2011, respectively.

For the year ended September 30, 2012, the Company operated under a DISC export agreement with Designatronics Export, Inc., a wholly owned subsidiary of Designatronics Incorporated's parent company, DD&D Acquisition Company. The DISC commission expense under this agreement amounted to _____. DD&D Acquisition Company made a capital contribution to Designatronics Incorporated in an amount equal to the DISC commission of _____.

Schedule G

ENVIRONMENTAL ASSESSMENT FORM

617.20
Appendix B
Short Environmental Assessment Form

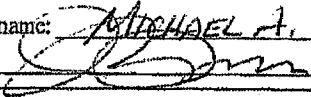
Instructions for Completing

Part 1 - Project Information. The applicant or project sponsor is responsible for the completion of Part 1. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification. Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information.

Complete all items in Part 1. You may also provide any additional information which you believe will be needed by or useful to the lead agency; attach additional pages as necessary to supplement any item.

Part 1 - Project and Sponsor Information			
Name of Action or Project: 250 DUFFY AVENUE			
Project Location (describe, and attach a location map): 250 Duffy Avenue, Hicksville, NY			
Brief Description of Proposed Action: Acquisition of 100,000 square foot industrial building			
Name of Applicant or Sponsor: Designatronics Incorporated		Telephone: 920-379-0457	
		E-Mail: mwalsh@radfordco.com	
Address: 2101 Jericho Turnpike			
City/PO: New Hyde Park		State: New York	Zip Code: 11042
1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation? If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2.			NO <input type="checkbox"/>
			YES <input type="checkbox"/>
2. Does the proposed action require a permit, approval or funding from any other governmental Agency? If Yes, list agency(s) name and permit or approval: Nassau County Industrial Development Agency			NO <input type="checkbox"/>
			YES <input checked="" type="checkbox"/>
3.a. Total acreage of the site of the proposed action?		5.93 acres	
b. Total acreage to be physically disturbed?		0 acres	
c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor?		5.93 acres	
4. Check all land uses that occur on, adjoining and near the proposed action.			
<input type="checkbox"/> Urban <input type="checkbox"/> Rural (non-agriculture) <input checked="" type="checkbox"/> Industrial <input checked="" type="checkbox"/> Commercial <input type="checkbox"/> Residential (suburban) <input type="checkbox"/> Forest <input type="checkbox"/> Agriculture <input type="checkbox"/> Aquatic <input type="checkbox"/> Other (specify): _____ <input type="checkbox"/> Parkland			

5. Is the proposed action, a. A permitted use under the zoning regulations?	NO	YES	N/A	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
b. Consistent with the adopted comprehensive plan?	NO	YES	N/A	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
6. Is the proposed action consistent with the predominant character of the existing built or natural landscape?	NO	YES		
	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
7. Is the site of the proposed action located in, or does it adjoin, a state listed Critical Environmental Area? If Yes, identify: _____	NO	YES		
	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
8. a. Will the proposed action result in a substantial increase in traffic above present levels?	NO	YES		
	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
	b. Are public transportation service(s) available at or near the site of the proposed action?	NO	YES	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
c. Are any pedestrian accommodations or bicycle routes available on or near site of the proposed action?	NO	YES		
	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
	9. Does the proposed action meet or exceed the state energy code requirements? If the proposed action will exceed requirements, describe design features and technologies: _____	NO	YES	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
10. Will the proposed action connect to an existing public/private water supply? If No, describe method for providing potable water: _____	NO	YES		
	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
11. Will the proposed action connect to existing wastewater utilities? If No, describe method for providing wastewater treatment: _____	NO	YES		
	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
12. a. Does the site contain a structure that is listed on either the State or National Register of Historic Places? b. Is the proposed action located in an archeological sensitive area?	NO	YES		
	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
13. a. Does any portion of the site of the proposed action, or lands adjoining the proposed action, contain wetlands or other waterbodies regulated by a federal, state or local agency? b. Would the proposed action physically alter, or encroach into, any existing wetland or waterbody? If Yes, identify the wetland or waterbody and extent of alterations in square feet or acres: _____	NO	YES		
	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
14. Identify the typical habitat types that occur on, or are likely to be found on the project site. Check all that apply: <input type="checkbox"/> Shoreline <input type="checkbox"/> Forest <input type="checkbox"/> Agricultural/grasslands <input type="checkbox"/> Early mid-successional <input type="checkbox"/> Wetland <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban				
15. Does the site of the proposed action contain any species of animal, or associated habitats, listed by the State or Federal government as threatened or endangered?	NO	YES		
	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
16. Is the project site located in the 100 year flood plain?	NO	YES		
	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
17. Will the proposed action create storm water discharge, either from point or non-point sources? If Yes, a. Will storm water discharges flow to adjacent properties? <input type="checkbox"/> NO <input type="checkbox"/> YES b. Will storm water discharges be directed to established conveyance systems (runoff and storm drains)? If Yes, briefly describe: _____	NO	YES		
	<input checked="" type="checkbox"/>	<input type="checkbox"/>		

18. Does the proposed action include construction or other activities that result in the impoundment of water or other liquids (e.g. retention pond, waste lagoon, dam)? If Yes, explain purpose and size: _____	NO	YES
_____	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility? If Yes, describe: _____	NO	YES
_____	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste? If Yes, describe: _____	NO	YES
_____	<input checked="" type="checkbox"/>	<input type="checkbox"/>
I AFFIRM THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE		
Applicant/sponsor name: <u>MICHAEL A. WALSH</u>	Date: <u>November</u> , 2013	
Signature: 		

Part 2 - Impact Assessment. The Lead Agency is responsible for the completion of Part 2. Answer all of the following questions in Part 2 using the information contained in Part 1 and other materials submitted by the project sponsor or otherwise available to the reviewer. When answering the questions the reviewer should be guided by the concept "Have my responses been reasonable considering the scale and context of the proposed action?"

	No, or small impact may occur	Moderate to large impact may occur
1. Will the proposed action create a material conflict with an adopted land use plan or zoning regulations?	<input type="checkbox"/>	<input type="checkbox"/>
2. Will the proposed action result in a change in the use or intensity of use of land?	<input type="checkbox"/>	<input type="checkbox"/>
3. Will the proposed action impair the character or quality of the existing community?	<input type="checkbox"/>	<input type="checkbox"/>
4. Will the proposed action have an impact on the environmental characteristics that caused the establishment of a Critical Environmental Area (CEA)?	<input type="checkbox"/>	<input type="checkbox"/>
5. Will the proposed action result in an adverse change in the existing level of traffic or affect existing infrastructure for mass transit, biking or walkway?	<input type="checkbox"/>	<input type="checkbox"/>
6. Will the proposed action cause an increase in the use of energy and it fails to incorporate reasonably available energy conservation or renewable energy opportunities?	<input type="checkbox"/>	<input type="checkbox"/>
7. Will the proposed action impact existing:		
a. public / private water supplies?	<input type="checkbox"/>	<input type="checkbox"/>
b. public / private wastewater treatment utilities?	<input type="checkbox"/>	<input type="checkbox"/>
8. Will the proposed action impair the character or quality of important historic, archaeological, architectural or aesthetic resources?	<input type="checkbox"/>	<input type="checkbox"/>
9. Will the proposed action result in an adverse change to natural resources (e.g., wetlands, waterbodies, groundwater, air quality, flora and fauna)?	<input type="checkbox"/>	<input type="checkbox"/>

	No, or small impact may occur	Moderate to large impact may occur
10. Will the proposed action result in an increase in the potential for erosion, flooding or drainage problems?	<input type="checkbox"/>	<input type="checkbox"/>
11. Will the proposed action create a hazard to environmental resources or human health?	<input type="checkbox"/>	<input type="checkbox"/>

Part 3 - Determination of significance. The Lead Agency is responsible for the completion of Part 3. For every question in Part 2 that was answered "moderate to large impact may occur", or if there is a need to explain why a particular element of the proposed action may or will not result in a significant adverse environmental impact, please complete Part 3. Part 3 should, in sufficient detail, identify the impact, including any measures or design elements that have been included by the project sponsor to avoid or reduce impacts. Part 3 should also explain how the lead agency determined that the impact may or will not be significant. Each potential impact should be assessed considering its setting, probability of occurring, duration, irreversibility, geographic scope and magnitude. Also consider the potential for short-term, long-term and cumulative impacts.

<input type="checkbox"/>	Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action may result in one or more potentially large or significant adverse impacts and an environmental impact statement is required.
<input type="checkbox"/>	Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action will not result in any significant adverse environmental impacts.
_____	_____
Name of Lead Agency	Date
_____	_____
Print or Type Name of Responsible Officer in Lead Agency	Title of Responsible Officer
_____	_____
Signature of Responsible Officer in Lead Agency	Signature of Preparer (if different from Responsible Officer)

PRINT

OTHER ATTACHMENTS

Designatronics Incorporated

Part I.

Item P. Has the Applicant considered moving to another state or another location within New York State? If YES, explain circumstances.

YES X

NO

The Applicant's business needs are rapidly expanding and its four current locations can no longer accommodate its rate of growth and are becoming increasingly inefficient. As a result, the Applicant is actively looking at alternative locations outside New York State which have the advantage of having a significantly lower cost structure. The high cost of taxes and wages in New York will continue to present a fiscal challenge for the Applicant without the financial assistance of the Agency.

Item S. Attach a brief history of the Applicant and its business/operations.

Designatronics is the nation's leading designer, manufacturer and distributor of small mechanical, electro-mechanical motion control components and sub-assemblies. Designatronics stocks 64,000 SKU's of small automation and linear motion components that are ready for immediate delivery. Through its Stock Drive Products, Sterling Instruments, Quality Bearings, Quality Transmission Components and Anti-vibration components divisions, Designatronics sells to OEM's and equipment users in medical, office equipment, plant maintenance, electronics, computer, communications and other industries.

Part II.

Item B. Briefly describe the proposed Project, the reasons why the Project is necessary to the Applicant and why the Agency's financial assistance is necessary, and the effect the Project will have on the Applicant's business or operations:

The Applicant is negotiating a contract to purchase the Property. Upon closing, the Seller, a distributor of vinyl windows, shall have the option to remain in possession of the property for a period of up to twelve (12) months, during which time the Applicant shall commence the permitting process and the Seller shall consider other locations for its business operations.

As indicated in this Application, the Applicant current has four separate locations in Nassau County. This facility is necessary to the Applicant because it has outgrown its current facilities and must expand its business in order to better serve its existing customers, meet the demands of potential customers and in order to stay competitive in its industry. The current leased facilities are unable to provide the needed flexibility to accommodate such demands.

Item C. If the Applicant is unable to obtain financial assistance for the Project, what will be the impact on the Applicant and Nassau County? Would the Applicant proceed with the Project without Agency financial assistance? Describe.

If the Applicant is unable to obtain financial assistance from the Agency, it would not proceed with the proposed Project. As a result, not only would the Applicant be unable to expand its operations in

Nassau County, it would definitely be faced with the potential loss of an undetermined amount of jobs in the current locations. The impact on the County would be substantial in that the County would not receive the numerous benefits associated with the Project, including an increase in quality, high-paying jobs within the County (and their associated "multiplier" economic effects) and helping to stem the continuing loss of such jobs to locations outside the County and the State. The County would also lose the benefits to be gained from having full-time equivalent construction jobs as a result of the renovation of the proposed facility.

Item Q. Describe the social and economic conditions in the community where the Project site is or will be located and the impact of the proposed Project on the community (including impact on infrastructure, transportation, fire and police and other government-provided services):

The Project is in an area which contains almost exclusively industrial and commercial properties. The impact on government-provided services is expected to be minimal and substantially similar to services provided at the current locations.

Part IV.

Item A.

What are the average wages of employees (excluding benefits) presently employed by the Applicant in Nassau County? What is the average annual value of employee benefits paid per job, if any, for the employees presently employed by the Applicant in Nassau County?

Estimate of average wages and value of employee benefits over the next (3) years:
Machine operators - \$18 - \$26 per hour plus benefit package at roughly 30% of wages
Inspectors - \$15 - \$20 per hour plus benefit package at roughly 30% of wages
De-burring - \$10 - \$12 per hour plus benefit package at roughly 40% of wages
Foreman – Salaried position \$50M to \$60M plus benefit package at roughly 30% of wages

Item E. Describe, if applicable, other benefits to the County anticipated as a result of the Project, including a projected annual estimate of additional sales tax revenue generated, directly and indirectly, as a result of undertaking the project:

There are numerous benefits for the community, as set forth above, including an increase in sales tax revenue that would otherwise be drawn off Long Island, the economic "multiplier" effects on the local community and numerous benefits associated with having a building which had been vacant becoming occupied. In addition, there are significant benefits to the larger community, as the Applicant has a well-known nationwide reputation and brings name recognition to the County. In addition, the Applicant hereby agrees to participate in job training programs in connection with local educational institutions and shall use reasonable efforts to make the Facility available, upon request and without unreasonable interference with the Applicant's business operations, in connection therewith.