

TOWN OF LOCKPORT

6560 Dydinger Road
Lockport, NY 14054
(716) 439-9535

INDUSTRIAL DEVELOPMENT AGENCY PROJECT ELIGIBILITY QUESTIONNAIRE

Project Applicant: EASTERN APPLIED RESEARCH, INC.

Project Title: ACQUISITION OF 6614 LINCOLN AVENUE
LOCKPORT, NEW YORK

Total Project Cost \$ 390,000

Type of Project*:

- Industrial/Producer Services
- Multi-tenant Facility
- General Office
- Commercial (non-office)
- Acquisition of Existing Facility
- Civic Facility (Not For Profit)
- Life Care Community

Location of Project 6614 LINCOLN AVENUE, TOWN OF LOCKPORT

S. B.L. # 123.00-1-13.3

Bank: CITIZENS BANK, N.A.

*All projects will be reviewed and approved in accordance with the provisions of Article 18-A of the New York State General Municipal Law and the Town of Lockport Zoning Laws, Regulations and Restrictions Applying to the Industrial Land Use. In certain instances, project applicants may be required to complete a retail questionnaire supplement based on the information contained within this application.

The information listed on this form is necessary to determine the eligibility of the project applicant. Please fill in all blanks, using "NONE" or "NOT APPLICABLE" where necessary. If an estimate is given, put "EST" after the figure. Attach additional sheets if necessary. To the extent permitted by law, and if requested by you, all proprietary information provided and identified as such will be treated confidentially, but may be subject to disclosure under the New York State Freedom of Information Act. Please note that the Company has no obligation to keep the information provided herein current. Therefore, please notify the Agency if there is any change made in the Company's plans. This application is ONLY for the purpose of determining whether the applicant is eligible for consideration by the Agency. In certain instances, additional information may be required. Return original copy of this application to the Town of Lockport Industrial Development Agency.

I. PART I - PROJECT APPLICANT

A. Project Applicant: EASTERN APPLIED RESEARCH, INC.

B. Company Officer (Partner) completing this application:

1. Name: SCOTT KRAMER
2. Title: Chief Operating Officer
3. Address: 6100 FISK ROAD
LOCKPORT, NEW YORK 14094
4. Telephone: (716) 625.8311

C. IRS Identification Number: 23-2767808

D. Business Organization (check appropriate category):

1. Corporation (X)
2. Partnership ()
3. Limited Liability ()
4. Company ()
5. Sole Proprietorship ()
6. S Corporation ()
7. Joint Venture ()
8. Other (specify): _____

E. State of Incorporation if applicable: PENNSYLVANIA

F. Business Description: Sales and Service of Analytical Measuring Equipment.
 The market includes, but is not limited to, measuring coating thickness,

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elemental analysis of hazardous substances or lack thereof (ROHS) and
 precious material, ie: Gold Karat Analysis.

G. If Corporation, publicly or privately held?

- 1. Public ()
- 2. Private (X)

H. List all stockholders, members, or partners in the Company.*

| Name | Percentage | Home Address |
|-----------------|------------|----------------------------------|
| Shawn M. Kramer | 100% | 109 Beacon Point Joppa, MD 21085 |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

I. Is the Company related, directly or indirectly, to any other entity by more than 50% common ownership? If so, indicate name of such entity and the relationship:

no

J. If any of the persons or group of persons listed in the response to question number 4 above owns more than 50% of the Company, list all other entities which are related to the company by virtue of such person (or group of persons) having more than a 50% interest in such other entities:

None

K. Is the Company affiliated with any other entity, directly or indirectly, other than as indicated in response to question 5 and 6 above? If yes, please indicate name and relationship of such other entity and the address thereof:

no

L. Has the Company (or any entity listed in 7 above) made a public offering or private placement of its stock within the last year? If so, please provide Offering Statement used.

- 1. Yes ()
- 2. No (X)

M. Complete the following information:

| Officers and Directors | Other Principal Business Affiliations |
|------------------------|---------------------------------------|
| Shawn M. Kramer | _____ |
| Scott T. Kramer | _____ |
| _____ | _____ |
| _____ | _____ |

If the Company is publicly owned, it can answer this and other surrounding questions by reference to an attached copy of the company's most recent Form 10-K. (Company means ultimate project occupant where known, otherwise the developer.)

N. Counsel to Company: _____

- 1. **Name of Attorney:** KELLY ANN SILVERMAN
- 2. **Name of Firm:** HODGSON RUSS LLP
- 3. **Address:** ONE M&T PLAZA, SUITE 2000
BUFFALO, NEW YORK 14203
- 4. **Telephone Number:** 716.848.1581 **Fax:** 716.819.4615

O. Company's Accountant:

- 1. **Name of Accountant:** Alan Friedland
- 2. **Name of Firm:** Alan Friedland, CPA, PA
- 3. **Address:** 9900 York Rd. Cro keysville, MD 21030
- 4. **Telephone Number:** 410-667-8222 **Fax:** 410-667-8224

II. DESCRIPTION OF PROJECT OCCUPANT

A. COMPANY HISTORY

- 1. **Location of current facility:**
 - a. **Address:** 6100 FISK ROAD
 - City:** LOCKPORT **State:** NY **Zip:** 14094
 - Telephone Number:** 716.625.8311
- 2. **SIC Code:** 7699
- 3. **Size(square footage) of current facility:** 4000 **Sq. Ft. (Approx.)**

4. Is this facility currently receiving property tax abatement?

a. Yes ()

b. No (x)

If Yes, at what date does this abatement expire: _____

5. Project location: 6614 LINCOLN AVENUE

6. Does the project involve the relocation of a company(s) from another municipality within Niagara County?

a. Yes (x) Town of Pendleton

b. No ()

7. If Yes, has the Supervisor/Mayor been notified?

a. Yes ()

b. No (x)

(Please provide additional information if necessary)

B. Principal product/service: Sales and Service of Analytical Measuring Equipment. The market includes, but is not limited to, measuring coating thickness, elemental analysis of hazardous substances or lack thereof (ROHS) and precious material, ie: Gold Karat Analysis

C. Percentage of Gross Revenue (from products or services) derived from sales outside of Niagara County: 99.5% Approx.

D. Markets served: United States, Canada, and South America

III. ELIGIBILITY

A. What effect will this project have on your business (why is it necessary)?:
THIS PROJECT IS NECESSARY FOR THE EXPANSION OF THE
COMPANYS BUSINESS.

B. Is Agency participation necessary for this project to proceed?
Briefly explain: YES. THE TAX ABATEMENTS MAKE THE PROJECT
ECONOMICALLY FEASIBLE FOR THE COMPANY. AND FACTOR INTO
DECISION TO REMAIN IN LOCKPORT.

C. Is the project occupant moving its entire operation to this proposed facility or a division thereof? Does the project involve the consolidation of existing facilities? YES. THE PROJECT OCCUPANT WILL BE MOVING ITS ENTIRE OPERATION TO THE PROPOSED FACILITY.

D. Is this project necessary to prevent the company from moving out of Niagara County and/or New York State and/or to remain competitive within its industry? (Please explain)

YES

E. What are the current market conditions which necessitate the construction of this project? New equipment sales have tripled since 2003
Doubled since 2005 - projected to double again in 2007.

F. Describe any unique feature/effects that this project will have on the area:
Business growth and job opportunities.

IV. FINANCIAL INFORMATION: (PLEASE ATTACH TO THE APPLICATION)

- A. Certified or reviewed Financial Statements for the last three fiscal years.
- B. Pro Forma Balance as of the state of operations at the project site.
- C. Projected Profit and Loss Statements for first two years of operation at project site.
- D. Projects' "cash flow" statement by quarters, for first year operation at project site.
- E. Submittal of the most recent tax bill for the subject property. This includes Town, County, School and special district charges.

V. PROJECT INFORMATION

- A. **SUMMARY OF PROJECT**
 - 1. Identify each element of the project.

(b) No

(2) Land Lease:
(a) Yes
(b) No

(3) Construction of a new building:
(a) Yes
(b) No

(4) If yes, indicate the number and size:

(5) Renovations to an existing building:
(a) Yes
(b) No

(6) If yes, indicate nature of renovations:
Driveway repair, installation of outside doors, greenspace and landscaping.

(7) Construction of an addition to an existing building:
(a) Yes
(b) No

(8) If yes, indicate nature of expansion:
Subdivision of existing space.

(9) Acquisition of an existing building:
(a) Yes
(b) No

(10) If yes, indicate number and size of buildings:
ONE 15,000 SQ. FT. BUILDING TO BE ACQUIRED BY PRINCIPALS OF COMPANY AND LEASED TO COMPANY.

(11) Acquisition/Installation of machinery and/or equipment:
(a) Yes
(b) No

*PRINCIPAL OWNERS OF COMPANY WILL OWN BUILDING AND LEASE TO THE COMPANY

- (12) Equipment lease:
 - (a) Yes
 - (b) No
- (13) For purposes other than the acquisition, renovation or construction of real property:
 - (a) Yes
 - (b) No
- (14) If yes, explain under separate cover.
- (15) Have site plans been submitted to the Town Planning Department for approval?
 - (a) Yes
 - (b) No
- (16) If yes, state date of submittal and current status, also include one set of plans/renderings with this application.
- (17) Have plans been submitted to the US Army Corps of Engineers and the NYS Department of Environmental Conservation for approval?
 - (a) Yes
 - (b) No
- (18) If yes, date of submittal and current status:
N/A

2. Project Site

- a. Are there buildings now on the project site?
 - (1) Yes
 - (2) No
- b. Indicate the present use of the project site: BAR/RESTAURANT
- c. Indicate present owner(s) of project site: REJ DEVELOPMENT, INC.

3. If the Company now owns the project site, indicate:

- a. date of purchase: N/A
- b. purchase price: _____

4. Has the Company entered into a contract and/or option to purchase the site? YES, THE PRINCIPALS OF THE COMPANY HAVE ENTERED INTO A PURCHASE AGREEMENT (UNEXECUTED COPY ATTACHED).

B. If yes, attach a copy.

- (1) Yes
- (2) No

5. If the Company is not the owner of the project site, does the Company now lease the site or any buildings on the site?

- a. Yes
- b. No

6. Is there a relationship legally or by virtue of common control or ownership between the Company and the Seller of the project:

- a. Yes
- b. No

7. If yes, describe this relationship:

N/A

8. If any space in the project is to be leased to third parties, indicate total gross square footage of the project, percent and square feet to be leased to each tenant, and proposed use by each tenant. (attach signed leases, if any.)

THIRD PARTY LEASES ARE ANTICIPATED.

9. List principal items or categories of equipment to be acquired as part of the project:

~~N/A~~ Existing restaurant equipment

10. Has any of the above equipment been ordered or purchased?

- a. Yes
- b. No

11. If yes, indicate:

12. Total Project Costs as estimated prior to Inducement

| <u>Description of Cost</u> | <u>Allocation of Cost</u> | | |
|----------------------------|---------------------------|----------------------|----------|
| | Bond Financing | Equity Participation | Totals |
| Land | \$ _____ | \$ _____ | \$ _____ |
| Building(s) | \$ _____ | \$ _____ | \$ _____ |
| Renovation | \$ _____ | \$ _____ | \$ _____ |
| Equipment | \$ _____ | \$ _____ | \$ _____ |
| LAND/BUILDING | \$390,000 | | |

| | | | |
|------------------------------|-----------------|-----------------|-----------------|
| Installation | \$ _____ | \$ _____ | \$ _____ |
| Engineering Fees | \$ _____ | \$ _____ | \$ _____ |
| Architectural Fees | \$ _____ | \$ _____ | \$ _____ |
| Interest During Construction | \$ _____ | \$ _____ | \$ _____ |
| Agency Fee | \$ _____ | \$ _____ | \$ _____ |
| Legal Fees* | \$ _____ | \$ _____ | \$ _____ |
| Totals | \$ _____ | \$ _____ | \$ _____ |

** Agency General Counsel and Bond Counsel only*

13. Have any of the these expenditures already been made by the Company?
 a. Yes
 b. No

14. If yes, indicate Particulars: _____

15. Project Schedule - Indicate the estimated dates for:

- a. Commencement of construction: N/A
 b. Completion of construction: N/A
 c. Anticipated closing date of project: AUGUST 31, 2006

16. Other Governmental Involvement:

- a. Have you contacted any other governmental agency in reference to this project?
 (1) Yes
 (2) No

17. If yes, please indicate the agency and nature of the inquiry below:

18. Job Creation/Retention

| | Present # jobs in Niagara County | Present # jobs in Lockport | # of jobs in Town of Lockport at completion |
|-----------|-------------------------------------|-------------------------------|---|
| Full Time | <u>8</u> | <u>8</u> | <u>15</u> |
| Part Time | <u>1</u> | <u>1</u> | <u>2</u> |
| Total | <u>9</u> | <u>9</u> | <u>17</u> |

19. Estimated Annual Payroll (*Town of Lockport Facility)

At Present \$ 436,000

At Completion \$ 650,000