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**APPLICATION TO
HERKIMER COUNTY INDUSTRIAL DEVELOPMENT AGENCY
FOR FINANCIAL ASSISTANCE**

I. APPLICANT INFORMATION:

Company Name: ELG Utica Alloys, Inc. _____
Address: PO Box 53 _____
Utica, NY 13503 _____
Product/Services: Scrap Recycling _____
Phone No.: 315-733-4075 _____ **Fax No.:** 315-733-2228 _____
Email Address: office@elguticallloys.com _____
Fed ID No.: 16-0905733 _____
Contact Person/Title: Robert Carbone / CFO _____

Principal Owners/Officers/Directors:

(list owners with 15% or more in equity holdings with percentage ownership)

Dimitrij Orlov – CEO Tony Merino - President _____
Robert Carbone – CFO Frederick Schweizer – VP _____

Corporate Structure (attach schematic if Applicant is a subsidiary or otherwise affiliated with another entity)

Form of Entity:

- ☒ **Corporation**
- ☐ **Partnership (General _____ or Limited _____; number of general partners _____ and, if applicable, number of limited partners).**
- ☐ **Civic Facility (not-for-profit corporation organized and existing under the laws of New York State or authorized to conduct activities in New York State).**
- ☐ **Limited Liability Company/Partnership (number of members _____).**
- ☐ **Sole Proprietorship**

If a corporation, partnership, limited liability company/partnership:

Date of establishment July 01, 2008 _____.

Place of organization New York _____.

If a foreign organization, is the Applicant authorized to do business in the State of New York? _____.

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APPLICANTS' COUNSEL

Name: Steve Walthall
Address: 400 Mayo Building
 239 Genesee Street
 Utica, NY 13501
Phone No.: (315) 724-3158
Telefax No.: (315) 724-3150

II. PROJECT INFORMATION

A) Describe the proposed acquisition, construction or reconstruction in as much detail as possible.

Project will consist of purchasing the building at 378 Gros Blvd (which has been completed) and renovating it for our scrap processing operations. Renovation will include:

- New roof on the older 80,000 sq foot section
- Addition of several over head doors for truck access into the building
- Water recycling system for process water will be installed
- Footing installed for heavy equipment
- Electrical and plumbing install to support equipment
- Offices will be renovated including new windows and HAVC
- New factory lighting and heating

B) Project Description (check all applicable)

- ☒ **Manufacturing**
- ☐ **Warehousing/Distribution**
- ☐ **Habilitation Center**
- ☐ **Hospice**
- ☐ **Dormitories for Educational Institutions**
- ☐ **Facilities as defined in article twenty-eight of the Public Health Law**
- ☐ **Housing facilities primarily designed to be occupied by individuals sixty years of age or older**
- ☐ **Tourism Destination Facility**
- ☐ **Retail**

C) Name of all sub-lessees or other occupants of the facility: N/A

D) Principals of any sub-lessee or occupant. N/A

III. COST BENEFIT ANALYSIS:

A) Project Cost (Estimates) (where applicable)

Land + Building	\$1,750,000
Building Renovation	\$1,500,000
Equipment	\$1,250,000
Soft Costs	\$1,000,000
Other	_____

Total Estimated Project Amount \$5,500,000

B) Financial Assistance Requested (Proposed Benefit Estimates) (where applicable)

Estimated Sales Tax Exemption (8.25% of any normally taxable item proposed)	\$ 268,125
Estimated Mortgage Recording Tax Exemption (1% of total proposed mortgage amount)	\$ _____
Estimated Real Property Tax Abatement (the Agency will assist with this estimation at your request)	\$ _____
Estimated Interest Savings on Industrial Revenue Bond Issue	\$ _____
Total Estimated Financial Assistance	\$ 268,125

C) Employment Information

Jobs retained F/T__87__ P/T_____
(please attach a list of current employees)

Jobs created F/T_____ P/T_____
(upon completion of project)

Please note the expected average wages and proposed fringe benefits for jobs to be created by job title: _____

Jobs created F/T_____ P/T_____
(additional jobs to be created, if any, within next 3 years as a result of project)

D) Estimate how many construction jobs will be created as a result of this Project: _____

IV. FINANCING (Source of funds where applicable)

Bank	_____
Private Funds invested	_____
Industrial Revenue Bond	_____
Other	\$5,500,000
Total (should equal III. A.)	_____

V. PROJECT LOCATION/UTILITIES/IMPACT/JOB CREATION

- A) **Project Address:** 378 Gros Blvd
Herkimer, NY
- B) **Are Utilities on Site**
 Water Yes **Electric** Yes
 Gas Yes **Sanitary/Storm Sewer** No/Yes
- C) **Present legal owner of the site** ELG Utica Alloys, Inc.
- D) **Zoning of Project Site: Current:** Industrial **Proposed:** Industrial
- E) **Are any variances needed:** No
- F) **Principal use of Project upon completion:** Scrap Recycling
- G) **Will the Project result in the removal of a plant or facility of the Applicant from one area of the State of New York to another?** Yes
- H) **Will the Project result in the removal of a plant or facility of another proposed occupant of the Project from one area of the State of New York to another area of the State of New York?** No
- I) **Will the Project result in the abandonment of one or more plants or facilities located in the State of New York?** No
If you answered yes to G-H or I please indicate whether the project is reasonably necessary for the company to maintain its competitive position in the industry. Please explain in detail. Attach supporting documentation.
 The company needs to better control its costs to remain competitive in the industry. To do will require that we bring all of our operations inside to facilitate operations independent of the weather. A high bay building is required. The facility at 378 Gros Blvd. offer the type of building needed at an economical price and significantly less than the cost to construct a building on our present site.

VI. REPRESENTATIONS BY THE APPLICANT

The Applicant understands and agrees with the Agency as follows:

- A.) Job Listings. In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA") in which the Project is located. The IDA encourages to the fullest extent possible the hiring of local labor for all construction projects.
- B.) Annual Sales Tax Filings. In accordance with Section 974(8) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency. In accordance with Section 874(8) of the General Municipal Law, the Applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the Applicant and all consultants or subcontractors retained by the Applicant. A copy of such form should be provided to the Agency annually upon submission to the State.
- C.) Recapture of Benefits. The Applicant understands and agrees that the benefits received from tax abatements/exemptions shall be subject to recapture in accordance with the Agency's tax exemption policy.
- D.) Annual Employment Reports. The Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site in addition to additional project information as required.
- E.) Absence of Conflicts of Interest. The Applicant has received from the Agency a list (see page 8) of the members, officers and employees of the Agency. No member, officers or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described: N/A

VII. FINANCIAL INFORMATION (attach the following):

1. Financial Statements for the last three fiscal years.
2. Proforma balance sheet as at start of operations at project site.
3. Projected profit and loss statements for first two years of operation at project site.
4. Projected "cash flow" statement, by quarters, for first year of operation at project site.

The Applicant and the individual executing this Application on behalf of the applicant acknowledge that the Agency will rely on the representations made herein when acting on this application and hereby represent that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

Applicant: ELG Utica Alloys

Date: 22 Feb 2011

By: FREDERICK SCHWEIZER

Name: FAS

Title: VP Operations

This Application should be submitted with a \$250.00 Application Fee to Herkimer County Industrial Development Agency, PO Box 390, 320 N. Prospect Street, Herkimer, New York 13350, to the attention of Mark D. Feane, Executive Director. The Agency will collect $\frac{1}{2}$ (one-half) of its Project Fee at the time of the signing of an inducement agreement. The final half of the Agency fee will be payable at which time the HCIDA takes title to the Facility, or upon issuance of bonds. The applicant will also be responsible for all HCIDA legal fees related to this project. Should your company for any reason decide to withdraw this application for financial assistance after submission but prior to completion, you will be responsible for any legal fees involved to that point. In addition the Agency will assess a fee for services rendered and costs incurred.

Agency fees are determined as follows:

For Corporations, Partnerships, Limited Liability Companies or Sole Proprietorships: the Agency fee will be assessed at up to 1% of the total project cost.

The Agency will assess your company an annual administration fee in the form of rent under the Lease Agreement in the amount of \$500.00.

"This institution is an equal opportunity provider, and employer. To file a complaint of discrimination, write: USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD)."

HOLD HARMLESS AGREEMENT

Applicant hereby releases the Herkimer County Industrial Development Agency and the members, officers, servants, agents and employees thereof (the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from expense incurred by (A) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other Assistance requested therein are favorably acted upon by the Agency. (B) the Agency's acquisition, construction and/or installation of the Project described therein and (C) any further action taken by the Agency with respect to the Project; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing.

ELG Utica Allays
 (Applicant)
 22 February 2011
 (Date)

(By) FA Sily

(Name) FREDERICK SCHWEIZER

(Title) VP Operations

STATE OF NEW YORK)
)ss.:
COUNTY OF Oneida)

On the 22nd day of February, in the year 2011, before me, the undersigned a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individuals, or the person or behalf of which the individuals acted, executed this instrument.

Lynn M Claus
Notary Public

LYNN M. CLAUS
Notary Public, State of New York
Registration #01CL6046667
Qualified In Fulton County
My Commission Expires Aug. 21, 2014
2010 BOARD MEMBERS

HERKIMER COUNTY INDUSTRIAL DEVELOPMENT AGENCY
P.O. BOX 390
320 North Prospect Street
HERKIMER, NY 13350

Telephone (315) 867-1373 Fax (315)-867-1515

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John J. Piseck, Jr.

VICE CHAIRMAN
J. Keith Davy

SECRETARY/TREASURER (member revolving loan committee)
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Vincent J. Bono

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DIRECTOR (member revolving loan committee)

Harley Ruppert

DIRECTOR

Robert Payne

ASSISTANT SECRETARY/TREASURER

Lillian Oram

IDA ATTORNEY

Michael Stephens, Esq.

STAFF

Mark D. Feane, Executive Director

Martin R. Regan, Marketing Coordinator

Lillian A. Oram, Financial Manager

Kathleen M. Moynihan, Administrative Assistant

Board Meetings will be the 4th Thursday of every month at 9:30am.

Revised May 10, 2010