Proposed Current Applications Expansion Spring 2015

December 2, 2014

This $693,000 expansion project will add 10,200 SF to the company's existing 20,000 SF facility. The additional space and new equipment will improve efficiency, expand production capacity, and allow the expansion of new product lines. The improved productivity of the new equipment would also allow the return some offshore processes back to the local plant in Watertown, NY. Enhancing production capacity will set the stage for continuing growth (10-12% annually) into the future.

Though we have added a new engineer for our new brush-less motor projects and anticipate adding an additional two employees over the next year, our main concern in today's economy is increasing productivity and retention of any job that may be lost due to the inability to be competitive on the world market.

This project is driven by the increasing sales of our customers and the growing demand for our products. Current Applications has established itself as an extremely reliable custom electric motor manufacturer. We simply have run out of the space necessary to meet our potential growth moving forward.

We own our facility located in Watertown's City Center Industrial Park, have the necessary space to expand, and are appropriately zoned for the proposed expansion. We are proposing to finalize the expansion design, obtain necessary permits, and be ready to break ground the Spring of 2015. Assuming funding is approved, construction would be completed by the Fall of 2015 and operational by the end of 2015.

Best regards,
George Anderson [redacted]
President
Current Applications, Inc.

Application to

Jefferson County Industrial Development Agency (JCIDA)

For

Tax Exempt Bond Financing

and/or

Sale Leaseback Transaction

And

Fee Schedule

Please contact the agency for more information regarding project eligibility and application process.

Updated as of October 2, 2014

Jefferson County Industrial Development Agency (JCIDA)
800 Starbuck Avenue, Suite 800
Watertown, New York 13601
www.jcida.com

Taxable and Tax Exempt Industrial Development Revenue Bonds

Application Fee: A non-refundable fee of $2,500.00 is payable to the JCIDA at the time the application is submitted. This fee will be credited towards the total fee at closing.

Fee: First $10 million – 2% of the principal amount of the bond series.
Any amount over $10 million – 1% of the bond series.

Annual Fee - $1,500.00

Point of Contact: Donald Alexander, 315-782-5865

Tax Exempt Civic Facility Bonds

Application Fee: A non-refundable fee of $2,500.00 is payable to the JCIDA at the time the application is submitted. This fee will be credited towards the total fee at closing.

Fee: First $10 million - 2% of the bond series.
Second $10 million- 0.5% of the bond series.

Point of Contact: Donald Alexander, 315-782-5865

Sale Leaseback Transactions

Application Fee: A non-refundable fee of $2,500.00 is payable to the JCIDA at the time the application is submitted. This fee will be credited towards the total fee at closing.

Fee: With a PILOT:
First $10 million – 2%
Second $10-$20 million - 0.5%
Any amount over $20 million - 0.25%

No PILOT – 25% of the abatement value (based on savings from mortgage tax and sales tax).

Point of Contact: Donald Alexander, 315-782-5865

Jefferson County Industrial Development Agency (JCIDA) Application for Tax Exempt Bond Financing and/or Sale Leaseback Transactions

I. APPLICANT INFORMATION

Company Name: CURRENT APPLICATIONS, INC.

Address: 275 BELLEW AVE. SOUTH
WATERTOWN, NY 13601

Phone No.: 315-788-4689

Fax No.: 315-788-4693

Federal Tax ID: [redacted]

Contact Person: GEORGE ANDERSON

E-Mail: INFO@currentapps.com

Date: 12/11/14

a. Form of Entity:

S Corporation

_____ Partnership (General ___or Limited ___; Number of General Partners ___ and, if applicable, Number of Limited Partners ___, List Partners in section below.

_____ Limited Liability Company, Number of Members ___

_____ Sole Proprietorship

b. Principal Owners/Officers/Directors: (List owners with 5% or more in equity holdings with percentage of ownership)

Name	Address	Percentage Ownership/Office
GEORGE ANDERSON	[redacted]	28.42
CHRIS GILBERT	[redacted]	22.30
BOB OLIN	[redacted]	21.52
ROGER SNYDER	[redacted]	20.56

(Use attachments if necessary)

c. If a corporation, partnership, limited liability company:

What is the date of establishment? 1999 Place of organization NY

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

(Attach organizational chart or other description if applicant is a subsidiary or otherwise affiliated with another entity)

d. Attach certified financial statements for the company's last three complete fiscal years. If the company is publicly held, attach the latest Form 10K as well.

II. APPLICANT'S COUNSEL

Name/Firm: MENTER, RUDIN & TRIVELPIECE

Address: 120 WASHINGTON ST.
WATERTOWN NY 13601

Phone No.: 315-786-7950

Fax No.: 315-786-7852

E-Mail: [redacted]

III. PROJECT INFORMATION:

a. Please provide a brief narrative description of the Project (attach additional sheets or documentation as necessary).

WE WISH TO HAVE A 10,000 SQFT ADDITION BUILT TO FACILITATE OUR PROJECTED GROWTH. THIS WILL PROVIDE NEEDED SPACE FOR THREE ADDITIONAL PRODUCT LINES

b. Location of Project

Project Address: 275 BELLEW AVE. SOUTH

Town/Village of: WATERTOWN, NY 13601

Name of School District: WATERTOWN

Tax Map No.: _____

c. Are Utilities on Site? Water: ✓ Electric: ✓ Gas: ✓ Sanitary/Storm Sewer: ✓ Telecom: ✓

d. Present legal owner of the site if other than Applicant and by what means will the site be acquired for this Project:

_____.

e. Zoning of Project Site:

Current: LIGHT INDUSTRIAL Proposed: _____

f. Are any zoning approvals needed? Identify: _____

g. Local Permitting and Approvals – Does the project require local planning or permitting approvals? If so, please explain. WILL BE COMPLETED Will a site plan application need to be filed? _____ If so, please include copy if prepared. BY THE CONTRACTOR.

h. Has another entity been designated lead agent under the State Environmental Quality Review Act ("SEQRA")? _____; If yes, please explain:

_____

_____

i. Will the Project result in the removal of a plant or facility of the Applicant or a proposed Project occupant from one area of the State of New York to another area of the State of New York? NO; If yes, please explain:

j. Will the Project result in the abandonment of one or more plants or facilities of the Applicant or a proposed Project occupant located in the State of New York? NO; If yes, explain:

k. If the answer to either question i. or j. is yes, indicate whether any of the following apply to the Project:

1. Is the Project reasonably necessary to preserve the competitive position of the Company or such Project Occupant in its industry? Yes X; No_____. If yes, please provide detail:
THOUGH THE ANSWER TO i & j IS NO, THE PROJECT IS NECESSARY TO PRESERVE OUR COMPETITIVE POSITION / PRODUCTIVITY

2. Is the Project reasonably necessary to discourage the Company or such Project Occupant from removing such other plant or facility to a location outside the State of New York? Yes_____; No X. If yes, please provide detail:

l. Does the Project include facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities? NO; If yes, please explain:

m. If the answer to l. is yes, what percentage of the cost of the Project will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project?_____%

n. If more than 33.33%, indicate whether any of the following apply to the Project:

1. Will the Project be operated by a not-for-profit corporation? Yes ___; No___. If yes, please explain:

2. Is the Project likely to attract a significant number of visitors from outside the economic development region in which the Project will be located? Yes_____; No_____. If yes, please explain:

3. Would the Project occupant, but for the contemplated financial assistance from the Agency, locate the Project and related jobs outside of New York State? Yes _____; No _____. If yes, please explain:

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____. If yes, please explain:

5. Will the Project be located in one of the following: (i) an area designated as an Empire Zone pursuant to Article 18-B of the General Municipal Law; or (ii) a census tract or block numbering area (or census tract or block number area contiguous thereto) which, according to the most recent census data, has (x) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of households receiving public assistance, and (y) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates? Yes X; No_____. If yes, please explain:

o. Does the Company intend to lease or sublease more than 10% (by area or fair market value) of the Project? Yes____; No ✓. If yes, please complete the following for EACH existing or proposed tenant or subtenant:

Sub lessee name:_____

Present Address: _____

City:_____ 530,907 × 50% 265,454 TAXABLE Zip:_____

Employer's ID No _____

X-0775 = 20,573 ST. SAVINGS

Sub lessee is a: _ion, LLC, Partnership, Sole Proprietorship)

Relationship to Cc _____

25Y000 MORTGAGE .0075 = 1950

Percentage of Pro _____

Use of Project inte _____

2% IDA FEE 14,024

Date and Term of _____

Will any portion of arily used in making retail sales of goods or services to custon ... personally visit the Project? Yes____; No____. If yes, please provide on a separate attachment (a) details and (b) the answers to questions I. 1-5 with respect to such sub lessee.

p. Project Costs (Estimates):

Category	Amount
Land-acquisition	
Buildings-Construction/Renovation	$ 530,907
Utilities, roads and appurtenant costs	
Machinery and Equipment	(TAX EXEMPT) $ 170,271 (205897)
Soft Costs (Architect and Engineering Fees)	INCLUDED IN DESIGN BUILD PRICE
Costs of Bond issue	
Construction Loan Fees and interest	
Other (specify)	736,804
Total Project Costs	$ 701,178

q. Job Creation:

Construction jobs created by the Project: 7 Anticipated Dates of Construction: April 1 – August 1 2015

Permanent jobs created by the Project

Column A: Insert the job titles that exist within the company at the time of application, as well as any job titles that will be established as a result of the Project.
Column B: Indicate the entry level wage for each listed job title either in terms of hourly pay or annual salary.
Column C: For each listed job title insert the number of positions that exist at the time of application.
Column D: Insert the number of jobs to be created during year one of the Project for each listed job title.
Column E: Insert the number of jobs to be created during year two of the Project for each listed job title.
Column F: Insert the number of jobs to be created during year three of the Project for each listed job title.
Column G: Indicate the total number of jobs to be created for each listed title as a result of the Project. (Column D + Column E + Column F = Column G)

(A) Job Title	(B) Annual or Hourly Wages	(C) Current Number of Positions	(D) Jobs Created Year One	(E) Jobs Created Year Two	(F) Jobs Created Year Three	(G) Total Jobs Created
PRODUCTION ASSEMBLY	10.00/hr.		2	2	2	6
PRODUCTION ASSEMBLY						
TOTALS						

Use of Local Workforce Policy

The use of 'local labor' will be a factor in evaluating this application. Answers to the following questions will assist us in that evaluation.

'Local labor' for the purpose of this application is defined as residents from Jefferson, St. Lawrence, Lewis and Oswego Counties. If a 'labor workforce plan' has been designed, please include that plan as an addendum to this application. Questions below are applicable for both a construction project and for the operations of a sustaining project.

Please check which best describes your project scope:
(X) Construction Project ( ) Long-term Operations Project ( ) Both

1. How will the project developer seek out and use the local workforce. (If your workforce is already 'local' by definition, please explain)
HIRING A LOCAL CONTRACTOR, DC BUILDERS

2. What is your total expected workforce during the construction phase of the project? What percentage of those are expected to be local? What is the total expected workforce during the operations phase of the project? What percentage of these do you estimate will be local:
Total construction workforce 7
Percentage of total construction workforce will be 'local' 7
Total workforce once project is in 'operation' 0
Percentage of the total 'operational' workforce will be local N/A

3. What specific approaches are to be used in your efforts to identify local workforce candidates if additional project workers are necessary?
SEE No. 1 ABOVE

4. If additional contractors or subcontractors are to be hired, will you request their use of local labor? If so, give examples of how that request is to be made.
THE CONTRACTOR WILL TAKE CARE OF ALL SUBCONTRACTORS.

The Agency acknowledges that the extensive use of local labor is not always possible. Are there circumstances such

1. Is there is a warrantee issue involved.
2. The work is so highly specialized that local labor cannot be found.
3. You identified a significant cost differential when using local labor.
4. No local labor is available.

N/A

It is the intention of JCIDA to randomly verify the use of the local workforce, using whatever method it determines is most effective. This verification may occur throughout the term of any incentive programs or loans granted.

Potential JCIDA Financial Assistance

A. Estimated Project Costs eligible for Industrial Development Agency Financial Assistance

1. Sales and Use Tax 530,407 × 50% × .0775
   - A. Amount of Project Cost Subject to Sales and Use Tax: $ 265,454
     Sales and Use Tax Rate: 7.75 %
   - B. Estimated Sales Tax (A X .0775): $ 20,573
2. Mortgage Recording Tax Exemption
   - A. Projected Amount of Mortgage: $ 254,000
     Mortgage Recording Tax Rate: 0.75 %
   - B. Estimated Mortgage Recording Tax (A X .0075): $ 1950
3. Real Property Tax Exemption
   - A. Projected Increase in Assessed Value on Project: $ 450,000
   - B. Total Applicable Tax Rates Per $1000: $ 28.406400
   - C. Estimated Annual Taxes without PILOT (A X B)/1,000: $ 13,233
4. Interest Exemption (Bond transactions only)
   - a. Total Estimated Interest Expense Assuming Taxable Interest: $ -0-
   - b. Total Estimated Interest Expense Assuming Tax-exempt Interest Rate: $ -0-

B. Estimated Benefits of Industrial Development Agency Financial Assistance

1. Current Company employment in Jefferson County 48
2. Current Company payroll in Jefferson County $ 1,503,606
3. Project Jobs to be Created over 3 years 6

r. **For Industrial Revenue Bonds ONLY, including this project,** list capital expenditures of the company at Project location:

Category	Last Three Years	Next Three Years
Land		
Building		
Equipment		
Soft Costs		
Other		
Total		

s. List any other positive impacts that the Project may have on Jefferson County:

CREATING AND RETAINING JOBS

V. REPRESENTATIONS BY THE APPLICANT

The Applicant understands and agrees with the Agency as follows:

A. **Job Listings:** In accordance with Section 858-b (2) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA") in which the Project is located.

B. **First Consideration for Employment:** In accordance with Section 858-b (2) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.

C. **Annual Sales Tax Filings:** In accordance with Section 874 (8) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874 (8) of the General Municipal Law, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the applicant.

D. **Annual Employment Reports:** The applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site.

E. **Confirmation Documentation:** The applicant understands and agrees that if the Project receives assistance from the Agency/Corporation---either tax incentives or loans---the applicant agrees to provide the Agency/Corporation, if requested, with a copy of their 'Annual Report' , their 'Annual Audit Report', their corporate or personal tax returns and/or their New York State Form 'NYS-45' (Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return), as appropriate, throughout the period that benefits are provided the company. These reporting requirements---specifically identified in Closing Documents, Loan Documents or other project specific agreements---may be used by the Agency/Corporation to assist us in verifying that commitments made as part of this application--- regarding stated goals for employment or capital investment in the project---are being achieved.

F. **Absence of Conflicts of Interest:** The applicant has received from the Agency a list of the members, officers, employees and Counsel of the Agency. No member, officer, employee, or Counsel of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described: N/A

G. **Claw-back Provision:** The applicant is making certain representations in this request for assistance. Based on these representations, a decision will be rendered as to whether our organization will extend those benefits. If benefits are extended---particularly as regards to property tax benefits, sales tax benefits and/or mortgage recording tax savings---and representations made in this application are not achieved--- this organization reserves the right to seek the return of those benefits, in whole or in part, on behalf of the impacted taxing jurisdictions. The decision to seek a return of any provided benefit will follow a process that will include an investigation of the reasons surrounding the failure to achieve the promised benefits. In all

organization. If a recall of these benefits is warranted, notice will be made to the applicant, in writing, and the applicant shall have thirty days to bring to this organization all circumstances which may bear on the recall of these benefits. The recall of benefits (claw-back) will be authorized by formal resolution of our governing Board.

HOLD HARMLESS AGREEMENT and APPLICATION DISCLAIMER AND CERTIFICATION PURSUANT TO NEW YORK STATE FREEDOM OF INFORMATION LAW ("FOIL")

Applicant hereby releases the Jefferson 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 or expense incurred by (A) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemption 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 suites or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to reach final agreement with the respect to the Project, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

Through submission of this Application for Financial Assistance (this "Application"), the Company acknowledges that the Agency, as a public benefit corporation, is subject to the New York State Freedom of Information Law ("FOIL") and Open Meetings Law ("OML"), as codified pursuant to the Public Officers Law ("POL") of the State of New York (the "State"). Accordingly, unless portions hereof are otherwise protected in accordance with this Certification, this Application, including all Company-specific information contained herein, is subject to public disclosure in accordance with applicable provisions of the POL, Article 18-A of the General Municipal Law ("GML") and the Public Authorities Accountability Act of 2005, as codified within the Public Authorities Law ("PAL") of the State. Specifically, this Application may be disclosed by the Agency to any member of the public pursuant to a properly submitted request under FOIL and the Agency is further required to affirmatively disclose certain provisions contained herein pursuant to the GML and PAL, including the identification of the Company, general project description, location proposed capital investment and job estimates.

Notwithstanding the foregoing, the Company, pursuant to this Certification, may formally request that the Agency consider certain information contained within this Application and other applicable supporting materials proprietary information and "trade secrets", as defined within POL Section 87(2)(d). To the extent that any such information should qualify as trade secrets, the Company hereby requests that the Agency redact same in the event that formal disclosure is requested by any party pursuant to FOIL. Application Sections or information requested by Company for Redaction*:

(* - Please indicate specific sections within Application that the Company seeks to qualify as "trade secrets". Additional correspondence or supporting information may be attached hereto. Please also note that notwithstanding the Company's request, the Agency shall make an independent determination of the extent to which any information contained herein may be considered as such). **Please also make specific reference to any data or information, which, if disclosed, would cause substantial injury to the competitive position of your business enterprise.**

In the event that the Agency is served with or receives any subpoena, request for production, discovery request, or information request in any forum that calls for the disclosure of the Application, in entirety, specifically including but not limited to any demand or request for production or review of Company-designated trade secrets, the Agency agrees to notify the Company as promptly as is reasonably possible, and to utilize its best efforts to: oppose or decline any such request; preserve the confidentiality and non-disclosure of such requested confidential material; and maintain such information and prevent inadvertent disclosure in responding to any such discovery or information request. The Company understands and agrees that all reasonable costs, including attorney's fees, associated with any such formal undertaking by the Agency to protect the trade secrets from disclosure shall be reimbursed by the Company to the Agency.

By executing and submitting this Application, the applicant covenants and agrees to pay the following fees to the Agency, the same to be paid at the times indicated:

(a) The sum of $2,500 as a non-refundable processing fee, plus the sum of $500 if Agency assistance in retaining professionals is requested, to be paid upon submission of the Application;

(b) An amount equal to __% of the total project costs for projects with bond financing, and an amount equal to __% of the total project costs for all other projects for which the Agency provides financial assistance, to be paid at transaction closing;

(c) An amount equal to $_____ payable to the Agency's bond/transaction counsel for the preparation and review of the inducement resolution, the environmental compliance resolution, TEFRA hearing proceedings and the tax questionnaire assuming no further activity occurs after the completion of the inducement proceedings, to be paid within ten (10) business days of the receipt of bond/transaction counsel's invoice;

(d) All fees, costs and expenses incurred by the Agency for (1) legal services, including but not limited to those provided by the Agency's general counsel or bond/transaction counsel, and (2) other consultants retained by the Agency in connection with the proposed project; with all such charges to be paid by the applicant at the closing or, if the closing does not occur, within

ten (10) business days of receipt of the Agency's invoices therefore please note that the applicant is entitled to receive a written estimate of fees and costs of the Agency's bond/transaction counsel;

(e) The cost incurred by the Agency and paid by the applicant, including bond/transaction counsel and the Agency's general counsel's fees and the processing fees, may be considered as a cost of the project and included in the financing of costs of the proposed project, except as limited by the applicable provisions of the Internal Revenue Code with respect to tax-exempt bond financing.

The applicant further covenants and agrees that the applicant is liable for payment to the Agency of all charges referred to above, as well as all other actual costs and expenses incurred by the Agency in handling the application and pursuing the proposed project notwithstanding the occurrence of any of the following:

(a) The applicant's withdrawal, abandonment, cancellation or failure to pursue the Application;

(b) The inability of the Agency or the applicant to procure the services of one or more financial institutions to provide financing for the proposed project;

(c) The applicant's failure, for whatever reason, to undertake and/or successfully complete the proposed project; or

(d) The Agency's failure, for whatever reason, to issue tax-exempt revenue bonds in lieu of conventional financing.

The applicant and the individual executing this Application on behalf of applicant acknowledge that the Agency and its counsel will rely on the representations made in this Application when acting hereon and hereby represents 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.

Company Acknowledgment and Certification:

By: [redacted]

Name: GEORGE ANDERSON

Title: PRESIDENT

Sworn to before me this
16th day of December, 2014.

MICHELLE R. DONEY
NOTARY PUBLIC-STATE OF NEW YOR
No. [redacted]
Qualified in Jefferson County
My Commission Expires July 07, 2016

Notary Public

[redacted]