

**APPLICATION
FOR
INDUSTRIAL DEVELOPMENT
REVENUE BOND FINANCING
AND
LEASEBACK TRANSACTIONS**

IMPORTANT NOTICE: The answers to the questions contained in this Application are necessary to determine your firm's eligibility for financing, tax exemptions and other assistance from the Auburn Industrial Development Authority (the "Authority"). These answers will also be used in the preparation of papers in this transaction. Accordingly, all questions should be answered accurately and completely by an officer or other employee of your firm who is thoroughly familiar with the business and affairs of your firm and who is also thoroughly familiar with the proposed project. This application is subject to acceptance by the Authority.

TO: **AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY**
24 South Street
Memorial City Hall
Auburn, New York 13021

This application by Applicant respectfully states:

APPLICANT: MACK STUDIOS INC

APPLICANT'S
ADDRESS: 5500 TECH. PK. BLVD. CITY: AUBURN STATE: NY ZIP: 13021

NAME OF PERSON(S) AUTHORIZED TO SPEAK FOR APPLICANT WITH RESPECT TO THIS

APPLICATION: _____ TELEPHONE NO: 315 252 7542 FAX NO: 315 252 5786

E-MAIL ADDRESS: PETER@MACKSTUDIOS.COM CHRIS@MACKSTUDIOS.COM

APPLICANT'S ATTORNEY:

NAME OF FIRM: _____

NAME OF
ATTORNEY: _____

ATTORNEY'S
ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____

TELEPHONE NO: _____ FAX NO: _____ E-MAIL ADDRESS: _____

APPLICANT'S ACCOUNTANT:

NAME OF FIRM: PIAKER & LYONS CPA PC

NAME OF
ACCOUNTANT: KEN MAKOWSKI

ACCOUNTANT'S
ADDRESS: 572 SOUTH SALINA ST.

CITY: SYRACUSE STATE: NY ZIP: 13202

TELEPHONE NO: 315 471 8109 FAX NO: 315 471 3293 E-MAIL ADDRESS: _____

NOTE: PLEASE READ THE INSTRUCTIONS ON PAGE 2 HEREOF BEFORE FILLING OUT THE REST OF THIS APPLICATION.

INSTRUCTIONS

1. The Authority will not approve any application unless, in the judgment of the Authority, said application contains sufficient information upon which to base a decision whether to approve or tentatively approve the project contemplated herein (the "**Project**").
2. Fill in all blanks, using "none" or "not applicable" or "N/A" where the question is not appropriate to the Project.
3. If an estimate is given as the answer to a question, put "(est)" after the figure or answer which is estimated.
4. If more space is needed to answer any specific question, attach a separate sheet.
5. When completed, return two (2) copies of this application to the Authority at the address indicated on the first page of this application.
6. The Authority will not give final approval to this application until the Authority receives a completed Environmental Assessment Form (EAF) concerning the Project.
7. Please note that Article 6 of the New York Public Officers Law declares that all records in the possession of the Authority (with certain limited exceptions) are open to public inspection and copying. If the Applicant feels that there are elements of the Project which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the Applicant's competitive position, the Applicant may identify such elements in writing and request that such elements be kept confidential in accordance with Article 6 of the Public Officers Law.
8. The Applicant will be required to pay to the Authority all actual costs incurred in connection with this application and the Project (to the extent such expenses are not paid out of the proceeds of the Authority's bonds issued to finance the Project, if applicable). The costs incurred by the Authority, including the Authority's general counsel, bond counsel and/or special counsel, if any, may be considered as a part of the Project and included as a part of the resultant bond issue.
9. The Authority has established an administrative fee to be paid by the Applicant upon successful conclusion of the sale of the bonds or the leaseback transaction, as applicable, said fee being intended to cover the indirect expenses incurred by the Authority in administering the Project. The administrative fee will be the following amount: (a) for bond transactions, 3/4 of 1% of the aggregate principal amount of the bonds issued with respect to the Project, (b) for leaseback transactions, 1% of the Total Project Costs as set forth in Section V(A) of this Application, or (c) such other amount as is agreed to by the Authority on a case-by-case basis. **UNLESS THE AUTHORITY AGREES IN WRITING TO THE CONTRARY, THE ADMINISTRATIVE FEE IS REQUIRED TO BE PAID AT OR PRIOR TO THE ISSUANCE OF THE BONDS OR THE GRANTING OF ANY FINANCIAL ASSISTANCE, AS APPLICABLE.**
10. The Authority has established an application fee of Two Hundred Fifty and 00/100 Dollars (\$250) to cover the anticipated costs of the Authority in processing this application. A check or money order made payable to the Authority must accompany each application. **THIS APPLICATION WILL NOT BE ACCEPTED BY THE AUTHORITY UNLESS ACCOMPANIED BY THE APPLICATION FEE.**

I. INFORMATION CONCERNING THE PROPOSED OCCUPANT OF THE PROJECT (HEREINAFTER REFERRED TO AS THE "COMPANY").

A. Identity of Company.

1. Company Name: MACK STUDIOS INC
Present Address: 5500 TECH. PK. BLVD.
City: AUBURN State: NY Zip: 13021
Employer's Federal ID No.: 16-1188911 NAICS Code No.: 339900

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

3. Indicate the type of business organization of Company:

a. Corporation. If so, incorporated in what country? USA; What State? NYS; Date Incorporated 11-01-1982; Type of Corporation? SUB S; Authorized to do business in New York? Yes No; Date so authorized _____.

b. Limited Liability Company. If so, State of organization? _____; Date Organized _____; Authorized to do business in New York? _____; Date so authorized _____ Number of members _____.

c. Partnership. If so, indicate type of partnership _____; Number of general partners _____; Number of limited partners _____.

d. Sole proprietorship.

e. Other. Please explain _____

4. Is the Company a subsidiary or direct or indirect affiliate of any other organization(s)? If so, indicate name of related organization(s) and relationship: NO

5. Is the Applicant a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code? Yes; No. If yes, please attach the Applicant's Determination Letter from the Internal Revenue Service with respect to such status. Has the Applicant received any notice indicating that its exempt status is under investigation or subject to revocation? Yes; No. If yes, please explain and attach relevant correspondence.

B. Management of Company.

1. List all owners, officers, directors, managers and partners (complete all columns for each person):

NAME	HOME ADDRESS	OFFICE HELD	OTHER PRINCIPAL BUSINESS AFFILIATIONS
PETER MACIULEWICZ	5918 OAKRIDGE RD,		AUBURN NY 13021
		PRESIDENT/OWNER	

2. Is the Company or management of the Company now a plaintiff or a defendant in any civil or criminal litigation? Yes; No.
3. Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation?) Yes; No.
4. Has any person listed above or any concern with whom such person has been connected ever been in receivership or been adjudicated a bankrupt? Yes; No.
5. If the answer to any of questions 2 through 4 is yes, please furnish details in a separate attachment.

C. Principal Owners of Company.

1. Is the Company publicly held? Yes; No. If yes, please list exchanges where stock of the Company is traded: _____
2. If "No", list all stockholders having a 5% or more interest in the Company:

NAME	HOME ADDRESS	PERCENTAGE OF HOLDING
PETER MACIULEWICZ	5918 OAKRIDGE RD AUBURN NY 13021	100 %

D. Company's principal bank(s): FIRST NIAGARA

E. Absence of Conflicts of Interest. The Applicant has received from the Authority a list of the members, officers and employees of the Authority. No member, officer or employee of the Authority has an interest, whether direct or indirect, in any transaction contemplated by this application, except as hereinafter described: NO

II. **INFORMATION CONCERNING PERSON(S) TO WHOM THE COMPANY INTENDS TO LEASE OR SUBLEASE THE PROJECT (HEREINAFTER REFERRED TO AS THE "SUBLESSEES").** Please give the following information with respect to each Lessee or Sublessee to whom the Company intends to lease or sublease more than 10% (by area or fair market rental value) of the Project:

A. Sublessee Name: N/A

Present Address: _____

City: _____ State: _____ Zip: _____

Employer's Federal ID No.: _____ NAICS Code No.: _____

Sublessee is: Corporation; Limited Liability Company; Partnership; Sole Proprietorship

Relationship to Company: _____

Percentage of Project to be leased or subleased: _____

Use of Project intended by Sublessee: _____

Date of lease or sublease to Sublessee: _____

Term of lease or sublease to Sublessee: _____

Will any portion of the space leased by this Sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes; No. If yes, please provide on a separate attachment (a) detail and (b) the answers to questions III(F)(4) through (6) with respect to each Sublessee.

B. Sublessee Name: _____

Present Address: _____

City: _____ State: _____ Zip: _____

Employer's Federal ID No.: _____ NAICS Code No.: _____

Sublessee is: Corporation; Limited Liability Company; Partnership;
 Sole Proprietorship

Relationship to Company: _____

Percentage of Project to be leased or subleased: _____

Use of Project intended by Sublessee: _____

Date of lease or sublease to Sublessee: _____

Term of lease or sublease to Sublessee: _____

Will any portion of the space leased by this Sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes; No. If yes, please provide on a separate attachment (a) detail and (b) the answers to questions III(F)(4) through (6) with respect to each Sublessee.

C. Sublessee Name: _____

Present
Address: _____

City: _____ State: _____ Zip: _____

Employer's Federal ID No.: _____ NAICS Code No.: _____

Sublessee is: Corporation; Limited Liability Company; Partnership;
 Sole Proprietorship

Relationship to Company: _____

Percentage of Project to be leased or subleased: _____

Use of Project intended by Sublessee: _____

Date of lease or sublease to Sublessee: _____

Term of lease or sublease to Sublessee: _____

Will any portion of the space leased by this Sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes; No. If yes, please provide on a separate attachment (a) detail and (b) the answers to questions III(F)(4) through (6) with respect to each Sublessee.

III. DATA REGARDING PROPOSED PROJECT.

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

50,000 SQ FT WAREHOUSE FACILITY / MANUFACTURING FACILITY
TO ACCOMMODATE THE GROWING NEEDS OF OUR CLIENTS,
CURRENTLY MACK RENTS OFF SITE STORAGE, WITH NEW
WAREHOUSE SPACE IT WILL BE COST EFFECTIVE AND CREATE
A MORE EFFICIENT SYSTEM ALL ON ONE SITE

B. Location of the Project.

1. Street Address: 38 ALLEN ST
2. City: AUBURN NY 13021
3. Town: _____
4. Village: _____
5. School District: AUBURN
6. Fire District: AUBURN
7. County: CAYUGA
8. Property Tax Identification No.: 108-80-1-1.113

C. Description of the Project site.

1. Approximate size (in acres or square feet) of the Project site: 6.44. Is a map, survey or sketch of the Project site attached? Yes; No.
2. Are there existing buildings on the Project site? Yes; No.
 - a. If yes, indicate the number of buildings on the site: _____. Also, please briefly identify each existing building and indicate the approximate size (in square feet) of each such existing building:

 - b. Are the existing buildings in operation? Yes; No. If yes, describe present use of such buildings: _____

 - c. Are the existing buildings abandoned? Yes; No. About to be abandoned? Yes; No. If yes, describe: _____

 - d. Attach photograph of present buildings.
3. Utilities serving the Project site:
Water-Municipal: AUBURN
Other (describe): _____
Sewer-Municipal: AUBURN
Other (describe): _____
Electric-Utility: NYSEG
Other (describe): _____
Heat - Utility: NYSEG
Other (describe): _____

4. Present legal owner of the Project site: AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY

a. If the Company (or any Sublessee) owns the Project site, indicate date of purchase: _____; purchase price: \$ _____.

b. If the Company does not own the Project site, does the Company (or any Sublessee) have an option signed with the owner(s) to purchase the Project site?
 Yes; No. If yes, indicate date option signed with the owner(s):
NEGOTIATIONS UNDERWAY, date the option expires: _____.

c. If the Company (or any Sublessee) does not own the Project site, is there a relationship legally or by common control between the Company (or any Sublessee) and the present owner(s) of the Project site? Yes; No. If yes, describe in detail on separate attachment.

5. a. Zoning District in which the Project is located: I1 INDUSTRIAL PARK

b. Are there any variances or special permits affecting the Project site?
 Yes; No. If yes, list below and attach copies of all such variances or special permits:
SUBDIVISION AND SITE PLAN APPROVAL

6. Will any portion of the Project be located outside the geographical boundaries of the City of Auburn? Yes; No. If yes, what other municipality is the Project partially located in? _____. Is the portion of the Project located outside the City of Auburn contiguous with the portion of the Project inside the City of Auburn?
 Yes; No.

D. Description of Proposed Construction.

1. Does part of the Project consist of the acquisition or construction of a new building or buildings? Yes; No. If yes, indicate number and size of new buildings:
ONE (1) 50,000 SQ FT WAREHOUSE / SET-UP FACILITY

2. Does part of the Project consist of additions and/or renovations to the existing buildings located on the Project site? Yes; No. If yes, indicate the buildings to be expanded or renovated, the size of any expansions and the nature of expansion and/or renovation:

3. Describe the principal uses to be made by the Company of the building or buildings to be acquired, constructed, renovated or expanded: WAREHOUSE

E. Description of the Equipment.

1. Does a part of the Project consist of the acquisition or installation of machinery, equipment or other personal property (the "Equipment")? Yes; No. If yes, describe the Equipment: WAREHOUSE RACKING AND STORAGE

2. With respect to the Equipment to be acquired ~~will any of the Equipment be Equipment~~ which has previously been used? Yes; No. If yes, please provide detail:

3. Describe the principal uses to be made by the Company of the Equipment to be acquired or installed:
RACKING WILL STORE PRODUCT & SHEET GOODS

F. Project Use.

1. What are the principal products to be produced at the Project? N/A

2. What are the principal activities to be conducted at the Project?
WAREHOUSING AND DISPLAY SET-UP

3. Does the Project include facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities? Yes; No. If yes, please provide detail: _____

4. If the answer to question 3 is yes, what percentage of the cost of the Project will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project? _____%.
5. If the answer to question 3 is yes, and the answer to question 4 is more than 33.33%, indicate whether any of the following apply to the Project:
 - a. Will the Project be operated by a not-for-profit corporation? Yes; No. If yes, please explain: _____

b. Is the Project likely to attract a significant number of visitors from outside the counties of Cayuga, Onondaga, Madison, Cortland and Oswego? Yes; No. If yes, please explain: _____

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

d. Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the City of Auburn; because of a lack of reasonably accessible retail trade facilities offering such goods or services? Yes; No. If yes, please provide detail: _____

e. Will the Project be located in one of the following: (i) the City of New York; (ii) an area designed as an economic development zone pursuant to Article 18-B of the General Municipal Law; or (iii) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (x) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of households receiving public assistance, and (y) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates? Yes; No. If yes, please explain: _____

MACK STUDIOS IS AN EMPIRE ZONE
CERTIFIED BUSINESS

6. If the answers to any of subparagraphs c. through e. of question 5 is yes, will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? Yes; No. If yes, please explain: _____

SINCE FEB./MARCH 2013 - (10) JOBS WERE ADDED
TO THE 43 EXISTING JOBS IN ANTICIPATION OF
BUSINESS EXPANSION

7. Will the completion of the Project result in the removal of a plant or facility of the Company or another proposed occupant of the Project (a "Project Occupant") from one area of the State of New York to another area of the State of New York? Yes; No. If yes, please explain: _____

8. Will the completion of the Project result in abandonment of one or more ~~plants~~ or facilities of the Company located in the State of New York? Yes; No. If yes, please provide detail: _____

9. If the answer to either question 7 or 8 is yes, indicate whether any of the following apply to the Project:

a. Is the Project reasonably necessary to preserve the competitive position of the Company or such Project Occupant in its industry? Yes; No. If yes, please provide detail: _____

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

G. Project Status.

1. If the Project includes the acquisition of any land or buildings, have any steps been taken toward acquiring same? Yes; No. If yes, please discuss in detail the approximate stage of such acquisition: ONGOING DISCUSSION WITH AIDA

2. If the Project includes the acquisition of any Equipment, have any steps been taken toward acquiring same? Yes; No. If yes, please discuss in detail the approximate stage of such acquisition: _____

3. If the Project involves the construction or reconstruction of any building or other improvement, has construction work on any such building or improvement begun? Yes; No. If yes, please discuss in detail the approximate extent of construction and the extent of completion. Indicate in your answer whether specific steps have been completed, such as site clearance and preparation, completion of foundations, installation of footings, etc.: _____

4. Please indicate amount of funds expended on the Project by the Company in the past three (3) years and the purposes of such expenditures: _____

FIRST NIAGARA - \$ 5000 GOOD FAITH DEPOSIT

RZ ENGINEERING - \$ 5000.-

SPACE ARCHITECTURAL - \$ 5000.-

H. Method of Construction After Authority Approval. If the Authority approves the Project, there are two methods that may be used to construct the Project. The Applicant can construct the Project privately and sell the Project to the Authority upon completion. Alternatively, the Applicant can request to be appointed as "agent" of the Authority for purposes of constructing the Project, which request, if approved, will result in the Applicant constructing the Project as "agent" of the Authority, in which case certain laws applicable to public construction will apply to the Project. Does the Applicant anticipate that in the future the Company may wish to request being designated as "agent" of the Authority for purposes of construction of the Project? Yes; No.

IV. EMPLOYMENT IMPACT. Indicate below the number of people presently employed at the Project site and the number that will be employed at the Project site at the end of the first and second years after the Project has been completed. (Do not include construction workers). Also indicate below the number of workers employed at the Project site representing newly created positions as opposed to positions relocated from other project sites of the Applicant.

TYPE OF EMPLOYMENT				
	PROFESSIONAL, MANAGERIAL OR TECHNICAL	SKILLED	UNSKILLED OR SEMI-SKILLED	TOTALS
Present Full Time	16	12	15	43
Present Part Time	—	—	—	—
Present Seasonal	—	—	—	—
First Year Full Time	2	2	5	9
First Year Part Time	—	—	—	—
First Year Seasonal	—	—	—	—
Second Year Full Time	—	—	3	3
Second Year Part Time				
Second Year Seasonal				

V. PROJECT COST.

A. State the costs reasonably necessary for the acquisition of the Project site, the construction of the proposed buildings and the acquisition and installation of any machinery and equipment necessary or convenient in connection therewith, including any utilities, access roads or appurtenant facilities, using the following categories:

<u>Description of Cost</u>	<u>Amount</u>
Land	\$ 50 K
Buildings	\$ 2.1 mil

{H0473877.2}

Machinery and Equipment costs	\$ <u>175K</u>
Utilities, roads and appurtenant costs	\$ <u>25K</u>
Architects and engineering fees	\$ <u>10K</u>
Costs of financing (legal, financial and printing)	\$ <u>15K</u>
Construction loan fees and interest	\$ <u>21K</u>
Other (specify)	\$ _____
_____	\$ _____
_____	\$ _____
TOTAL PROJECT COSTS	\$ <u>2,391,000.-</u>

- B. Have any of the above expenditures already been made by the Applicant? Yes; No. If yes, indicate particulars: _____
- C. Amount of financial assistance requested: N/A Dollars;
Maturity requested: _____ Years.
- D. Has the Applicant ~~made~~ any arrangements for the marketing or purchase of the proposed bond issue? Yes; No. If yes, please explain: N/A
- E. Does the Applicant intend to designate the bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Internal Revenue Code? Yes; No. If yes, please provide name of financial institution and details of transaction: N/A
- F. Will the proceeds of the bonds be used to finance or refund any prior industrial development bond or private activity bond issued by the Authority with respect to the Project? Yes; No. If yes, please provide details of prior bond issuance: N/A
- G. Will the proceeds of the bonds be used to finance or refund any existing mortgage, loan or other indebtedness with respect to the Applicant or the Project? Yes; No. If yes, please provide details of prior obligations: N/A
- H. Does the Applicant, any affiliate of the Applicant, or any user of the Project, currently have outstanding any bonds, notes or other obligations, the interest on which is, or is claimed to be, exempt from federal taxation under Section 103 of the Internal Revenue Code? Yes; No. If yes, please provide details: N/A

VI. FINANCIAL ASSISTANCE EXPECTED FROM THE AUTHORITY.

A. Is the Applicant requesting any real property tax exemption in connection with the Project that would not be available to a project that did not involve the Authority? Yes; No. If yes, is the real property tax exemption being sought consistent with the Authority's Uniform Tax Exemption Policy? Yes; No.

B. Is the Applicant expecting the financing of the Project to be secured by one or more mortgages? Yes; No. If yes, what is the approximate amount of financing to be secured by the mortgage(s)? \$ 2,150,000.

C. Is the Applicant expecting to be appointed agent of the Authority for purposes of avoiding payment of New York State Sales Tax and Compensating Use Taxes? Yes; No. If yes, what is the approximate amount of purchases which the Applicant expects to be exempt from the New York State Sales and Compensating Use Taxes? \$ 1,002,000.

D. What is the estimated value of each type of tax exemption being sought in connection with the Project? Please detail the type of tax exemption and value of each exemption.

- 1. N.Y.S. Sales and Compensating Use Taxes: \$ 80200.
- 2. Mortgage Recording Taxes: \$ 21500.
- 3. Real Property Tax Exemptions: \$ 657552.-
- 4. Other (please specify): _____ \$ _____
_____ \$ _____

E. Are any of the tax exemptions being sought in connection with the Project inconsistent with the Authority's Uniform Tax Exemption Policy? Yes; No. If yes, please explain how the request of the Applicant differs from the Authority's Uniform Tax Exemption Policy: REQUESTING 15 YEAR PILOT

VII. OTHER GOVERNMENTAL INVOLVEMENT.

A. Has the Applicant contacted any other governmental agency with regard to the Project? Yes; No. If yes, indicate the agency and the nature of the inquiry: CITY OF ALBANY PLANNING BOARD
SITE PLAN APPROVAL - SUB-DIVISION

B. Does the Applicant have any agreement to subsequently contract with a municipality for the lease or purchase of all or part of the Project? Yes; No. If yes, please explain: _____


VIII. FINANCIAL INFORMATION: (Please attach the following to the Application):

- A. Certified or reviewed Financial Statements of the Applicant (and of any expected guarantor of the bond issue) for the last three fiscal years.
- B. Pro forma balance sheet as of the start of operations at the Project site.
- C. Projected profit and loss statements for the first two years of operation at the Project site.
- D. Projected quarterly cash flow statement for the Project for the first year of operation at the Project site.

IX. **HOLD HARMLESS AGREEMENT.** Applicant hereby releases the Authority and the members, officers, servants, agents (other than the Company) and employees thereof from, agrees that the Authority shall not be liable for and agrees to indemnify, defend and hold the Authority harmless from and against any and all liability arising from or expense incurred by the Authority with respect to (i) the Authority's examination and processing of, and action pursuant to or upon, the attached application, regardless of whether or not the application or the Project, the issue of bonds requested therein, or the tax exemptions and other assistance requested therein are favorably acted upon by the Authority, (ii) the Authority's acquisition, construction and/or installation of the Project described therein, (iii) the issue of bonds requested therein or the Project described therein, and (iv) any further action taken by the Authority with respect to the Project; including, without limiting the generality of the foregoing, all causes of action and attorney's fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the application, or if the Authority or the Applicant are unable to reach final agreement with respect to the Project or to find buyers willing to purchase the total bond issue requested, then, and in that event, upon presentation of an invoice itemizing the same, Applicant shall pay to the Authority, its agents or assigns, all actual costs incurred by the Authority in the processing of the application, including attorney's fees, if any.

X. **VERIFICATION.** The undersigned deposes and says that he/she is the OWNER of the Applicant; (Title) that he/she has read the foregoing application and knows the contents thereof and that the same is true and complete and accurate to the best of his/her knowledge. The undersigned further says that the reason this verification is made by the undersigned and not by the Applicant is because the Applicant is an entity. The grounds of the undersigned's belief relative to all matters in this application which are not stated upon his/her own personal knowledge are investigations which the undersigned has caused to be made concerning the subject matter of this application as well as information acquired by the undersigned in the course of his/her duties as an officer of and from the books and papers of the Applicant.

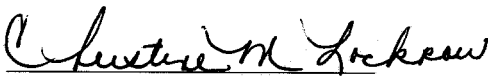
IN WITNESS WHEREOF, the Applicant has duly executed this application this 15th day of NOVEMBER, 2013.



(Applicant)

By: PETER S. MACIULEWICZ
Name: _____
Its: _____

Sworn to before me this
15th day of NOVEMBER, 2013.



Notary Public

Christine M. Lockrow
Notary Public, State of New York
No. 01L04957785
Qualified in Cayuga County
Commission Expires 10/23/2017

DEVIATION FROM POLICY

1. The nature of the project is a 50,000 sq. ft. manufacturing/warehouse facility expansion.
2. The location of the project is at 38 Allen Street, Auburn, NY.
3. The nature of the property before project begins – vacant land.
4. The economic condition of the area at this time is depressed due to the fact that businesses are leaving Technology Park and NYS.
5. This expansion should initially create (9) jobs.
6. \$ 657,552. -
7. Positive impact based on brand new building vs. vacant lot – Mack will pay \$ 594,928 in property taxes over the next 15 years instead of zero taxes collected on vacant lot. No prospects for anyone else buying lot for development.
8. Impact of the proposed project on existing businesses, etc. Mack Studios uses many local vendors within a 50 mile radius, with this expansion there will be an increase in business, therefore an increase in materials purchased with our vendors.
9. TBD
10. Mack Studios is 100% likely of accomplishing the proposed project in a timely fashion depending on approval from the City of Auburn to proceed.
11. N/A
12. None
13. Additional source of revenue - \$ 594,298 in property taxes over the next 15 years.
14. Job creation. Enhancement to Technology Park.