

**TOWN OF BETHLEHEM INDUSTRIAL DEVELOPMENT AGENCY
APPLICATION**

IMPORTANT NOTICE: The answers to the questions contained in this application are necessary to determine your firm's eligibility for financing and other assistance from the Town of Bethlehem Industrial Development Agency. 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 Agency.

TO: Town of Bethlehem Industrial Development Agency
Town Hall—Room 203
445 Delaware Avenue
Delmar, New York 12054

This application by applicant respectfully states:

APPLICANT: Finke Enterprises, LLC
APPLICANT'S STREET ADDRESS: 1569 Route 9W
CITY: Selkirk STATE: NY ZIP: 12158 PHONE: 767-9331
FAX: 767-2446 EMAIL: jfinke@finkeequipment.com

NAME OF PERSON(S) AUTHORIZED TO SPEAK FOR APPLICANT WITH RESPECT TO THIS APPLICATION: John Finke

IF APPLICANT IS REPRESENTED BY AN ATTORNEY, COMPLETE THE FOLLOWING:

NAME OF FIRM: Hiscock & Barclay, LLP
NAME OF ATTORNEY: Connie Cahill, Esq. and Melissa Bennett, Esq.
ATTORNEY'S STREET ADDRESS: 80 State Street, 6th Floor
CITY: Albany STATE: NY ZIP: 12207 PHONE: 429-4296, 429-4219
FAX: 533-2926, 533-2923 EMAIL: mcahill@hblaw.com, mbennett@hblaw.com

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

INSTRUCTIONS

1. The Agency will not approve any application unless in the judgment of the Agency said application contains sufficient information upon which to base a decision whether to approve or tentatively approve an action.
2. Fill in all blanks, using “none” or “not applicable” or “N/A” where the question is not appropriate to the project which is the subject of this application (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 this application to the Agency at the address indicated on the first page of this application.
6. The Agency will not give final approval to this application until the Agency has received a completed environmental assessment form concerning the Project which is the subject of this application.
7. Please note that Article 6 of the Public Officers Law declares that all records in the possession of the Agency (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 which 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 Agency all actual costs incurred in connection with this application and the Project contemplated herein (to the extent such expenses are not paid out of the proceeds of the Agency’s bonds issued to finance the project). The applicant will also be expected to pay all costs incurred by general counsel and bond counsel to the Agency. The costs incurred by the Agency, including the Agency’s general counsel and bond counsel, may be considered as a part of the project and included as a part of the resultant bond issue.
9. The Agency has established a general Agency fee to be paid by the applicant upon closing. Such fee is to be in the amount of $\frac{3}{4}$ of one percent of the bond amount for a tax-exempt issue, $\frac{3}{4}$ of one percent of the bond amount for a taxable issue, $\frac{3}{4}$ of one percent of the cost of the project for a straight lease, and $\frac{1}{2}$ of one percent of the bond amount for a not-for-profit.
10. The Agency will charge annually an administrative fee of 5 basis points computed on (i) on the original bond amount or (ii) in the case of a straight lease on the cost of the project; the fee shall be payable on January 1 of each year until all the financing documents shall terminate and be discharged and satisfied.

11. The Agency requires a non-refundable administrative fee of FIVE HUNDRED DOLLARS (\$500.00) TO BE PAID UPON SUBMISSION OF THE APPLICATION.

12. Thirteen (13) copies are required by the Agency.

FOR AGENCY USE ONLY

1. Project Number	_____
2. Date application Received by Agency	_____, 20____
3. Date application referred to attorney for review	_____, 20____
4. Date copy of application mailed to members	_____, 20____
5. Date notice of Agency meeting on application posted	_____, 20____
6. Date notice of Agency meeting on application mailed	_____, 20____
7. Date of Agency meeting on application	_____, 20____
8. Date Agency conditionally approved application	_____, 20____
9. Date of mailing Notice of Public Hearing to affected taxing jurisdictions	_____, 20____
10. Date of posting Notice of Public Hearing	_____, 20____
11. Date of publication Notice of Public Hearing	_____, 20____
12. Date Public Hearing held	_____, 20____
13. Date Environmental Assessment Form (“EAF”) received	_____, 20____
14. Date Agency completed environmental review	_____, 20____
15. Date of Town Board Approval	_____, 20____
16. Date of final approval or rejection of application	_____, 20____

SUMMARY OF PROJECT

Applicant: Finke Enterprises, LLC

Contact Person: John Finke

Phone Number: 767-9331

Occupant: Robert H. Finke & Sons, Inc.

Project Location: 1569 Route 9W, Selkirk

Approximate Size of Project Site: 17 acres

Description of Project: Construction of a new 56,000 square foot building and, once construction is complete and all operations are moved into the new building, demolition of two existing buildings of 11,000 and 11,750 square feet

Type of Project: Manufacturing Warehouse/Distribution
 Commercial Not-For-Profit
 Other-Specify _____

Employment Impact: Existing Jobs: 35
New Jobs: 5

Project Cost: \$ 7,171,200 (est.)

Type of Financing: Tax-Exempt Taxable Straight Lease

Amount of Bonds Requested: \$ N/A

Estimated Value of Tax-Exemptions:

N.Y.S. Sales and Compensating Use Tax:	\$ <u>288,172.50</u>
Mortgage Recording Taxes:	\$ <u>70,000</u>
Real Property Tax Exemptions:	\$ <u>318,947.77</u>
Other (please specify):	\$ <u>N/A</u>

I. INFORMATION CONCERNING THE PROPOSED OCCUPANT OF THE PROJECT (HEREINAFTER, THE "COMPANY").

A. Identity of Company:

1. Company Name: Robert H. Finke & Sons, Inc.
Present Address: 1569 Route 9W
Town/City: Selkirk State: NY Zip Code: 12158
Employer's ID No.: 14-1663844
Phone: 767-9331 Fax: 767-2446 Email: jfinke@finkeenterprises.com
2. If the Company differs from the Applicant, give details of relationship:
Common ownership and management
3. Indicate type of business organization of Company:
 - a. Corporation. If so, incorporated in what country? U.S.;
What State? NY; Date Incorporated: 12/18/1980
Type of Corporation? Domestic business incorporation;
Authorized to do business in New York? Yes X; No .
 - b. Partnership. If so, indicate type of partnership: ;
Number of general partners ; Number of limited partners .
 - c. Limited liability company. If so, formed in what state? .
Date formed ; Authorized to do business in New York? Yes No .
 - d. Sole proprietorship.
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: Finke Enterprises, LLC - common ownership and management
Bobcat of Saratoga LLC - common ownership and management

B. Management of Company:

- List all owners, officers, members, directors and partners (complete all columns for each person):

NAME AND HOME ADDRESS	OFFICE HELD	OTHER PRINCIPAL BUSINESS
John R. Finke, 255 Knox Cave Rd. Altamont, NY 12009	President/CEO	Owner of Bobcat of Saratoga, LLC and Finke Enterprises, LLC
Robert H. Finke, 19 Gibbs Rd. Altamont, NY 12009	Vice President	Owner of Bobcat of Saratoga, LLC and Finke Enterprises, LLC

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

C. Principal Owners of Company:

- Is the Company publicly held? Yes ____; No X. If yes, please list exchanges where stocks are traded:

N/A

- If no, list all stockholders having a 5% or more interest in the Company:

NAME	ADDRESS	PERCENTAGE OF HOLDING
John R. Finke	255 Knox Cave Rd., Altamont, NY	82%
Robert H. Finke	19 Gibbs Rd., Altamont, NY	18%

D. Company's principal bank(s) of account:

Key Bank, National Bank of Coxsackie

E. Please attach copies of the company's financial statements (audited preferred) for the last four years.

F. Please attach your Company's business plan; including projected financial statements for the next three years.

Note: For items E and F, confidentiality may be maintained upon your specific request.

II. DATA REGARDING PROPOSED PROJECT.

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

Construction of a new 56,000 square foot building and, once construction is complete and all operations are moved into the new building, demolition of two existing buildings of 11,000 and 11,750 square feet.

B. Location of the Project:

1. Street Address: 1569 Route 9W
2. City of: N/A
3. Town of: Bethlehem
4. Village of: Selkirk (hamlet)
5. County of: Albany

C. Description of the Project site:

1. Approximate size (in acres or square feet) of the Project site: 17 acres.
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: 2.
Also, please briefly identify each existing building and indicate the approximate size (in square feet) of each such building:

11,000 sq. ft. and 11,750 sq. ft.

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

Sales, rental and repair of construction equipment

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

d. Attach photograph of any existing buildings.

3. Utilities serving the Project site:

Water-Municipal:	<u>Municipal</u>
Other (describe)	_____
Sewer-Municipal	<u>Septic sewer</u>
Other (describe)	_____
Electric-Utility	<u>National Grid</u>
Other (describe)	_____
Heat-Utility	<u>National Grid</u>
Other (describe)	_____

4. Present legal owner of the Project site:

Finke Enterprises, LLC

a. If the Company owns the Project site, indicate date of purchase:
_____, 20__; purchase price \$_____.

b. If Company does not own the Project site, does Company have an option signed with the owner to purchase the Project site? Yes

____; No . If yes, indicate date option signed with the owner: _____, 20__; and the date the option expires: _____, 20__.

- c. If the Company does not own the Project site, is there a relationship legally or by common control between the Company and the present owner of the Project site? Yes ; No _____. If yes, describe:

Common ownership and management

5. a. Zoning District in which the Project is located: Rural Light Industrial.
- 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:

N/A

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 new building of approx. 56,000 sq. ft.

2. Does part of the Project consist of additions and/or renovations to 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:

N/A

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

Sales, rental and repair of construction equipment

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 X; No _____. If yes, describe the Equipment:

Equipment related to the sales, rental and repair of construction equipment

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

N/A

3. Describe the principal uses to be made by the Company of the Equipment to be acquired or installed:

For the business of sales, rental and repair of construction equipment

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?

Sales, rental and repair of construction equipment

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 x ; No _____. If yes, please provide detail:

Sales of construction equipment

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? 2 %.

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:

N/A

- b. 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:

N/A

- c. 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 _____. If yes, please explain:

N/A

- 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, 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 provide detail:

N/A

- e. Will the Project be located in one of the following: (i) an area designed as an economic development 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 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:

N/A

6. If the answers to any of subdivisions 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:

N/A

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 x__. If yes, please explain:

N/A

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

N/A

9. If the answer to either question 7 or question 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:

N/A

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:

N/A

10. Will the Project be owned by a not-for-profit corporation? Yes ____; No x__. If yes, please provide detail:

N/A

11. If the answer to 10 is yes, is the corporation exempt from taxation under Section 501(c) of the Internal Revenue Code of 1986, as amended? Yes ____; No _____. If yes, please indicate details and which subsection of Section 501(c).

N/A

12. If the answer to question 10 is yes, indicate whether any of the following apply to the Project:

a. Is the Project a housing facility primarily designed to be occupied by individuals 60 years of age or older? Yes ____; No _____. If yes, please explain:

N/A

b. Is the Project a dormitory for an educational institution? Yes ____; No _____. If yes, please explain:

N/A

c. Is the Project a facility as defined in Article 28 of the Public Health Law? Yes ____; No _____. If yes, please explain:

N/A

13. If the answer to any of the questions contained in question 12 is yes, indicate whether the cost of the Project will exceed \$20 million. Yes ____; No _____. If yes, please provide detail:

N/A

14. Will the Project be sold or leased to a municipality? Yes ____; No X. If yes, please provide detail:

N/A

G. Other Involved Agencies:

1. Please indicate all other local agencies, boards, authorities, districts, commissions or governing bodies (including any city, county and other political subdivision of the State of New York and all state departments, agencies, boards, public benefit corporations, public authorities or commissions) involved in approving or funding or directly undertaking

action with respect to the Project. For example, do you need a municipal building permit to undertake the Project? Do you need a zoning approval to undertake the Project? If so, you would list the appropriate municipal building department or planning or zoning commission which would give said approvals.

Town of Bethlehem - Building Permit

2. Describe the nature of the involvement of the federal, state or local agencies described above:

N/A

H. 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.

N/A

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

Acquisition of Equipment not yet begun

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

Construction not yet begun

-
-
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:

Consulting and engineering fees - \$60,000

I. Agent Status (for sales tax purposes) (See also question A.3 in Part VI below):

1. If the Agency approves the Project, there are two methods that may be used to undertake the Project. The applicant can undertake the Project privately and sell the Project to the Agency upon completion. Alternatively, the applicant can request to be appointed as “agent” of the Agency for purposes of constructing the project, which request, if approved, will result in the applicant constructing the project as “agent” of the Agency, in which case certain laws applicable to public construction may apply to the Project. Does the applicant wish to be designated as “agent” of the Agency for purposes of undertaking the Project?
Yes ; No .
2. If the answer to question 1 is yes, does the applicant desire such “agent” status prior to the closing date of the financing? Yes ; No .

III. **INFORMATION CONCERNING LEASES OR SUBLEASES OF THE PROJECT. (PLEASE COMPLETE THE FOLLOWING SECTION IF THE COMPANY INTENDS TO LEASE OR SUBLEASE ANY PORTION OF THE PROJECT).**

- A. 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:

1. Sublessee Name: N/A
- Present Address: _____
- City: _____ State: _____ Zip: _____
- Employer’s ID No.: _____
- Sublessee Is: Corporation: 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) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.

Please provide on a separate attachment answers to questions II(F)(7) and (8) with respect to such sublessee.

2. Sublessee Name: N/A

Present Address: _____

City: _____ State: _____ Zip: _____

Employer's ID No.: _____

Sublessee Is: ___ Corporation: ___ 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) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.

Please provide on a separate attachment answers to questions II(F)(7) and (8) with respect to such sublessee.

3. Sublessee Name: N/A

Present Address: _____

City: _____ State: _____ Zip: _____

Employer's ID No.: _____

Sublessee Is: ___ Corporation: ___ 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) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.

Please provide on a separate attachment answers to questions II(F)(7) and (8) with respect to such sublessee.

B. What percentage of the space intended to be leased or subleased is now subject to a binding written lease or sublease?

N/A

IV. EMPLOYMENT IMPACT.

A. Indicate below the number of people presently employed at the Project site and the **additional** 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. Such information regarding relocated positions should also indicate whether such positions are relocated from other project sites financed by obligations previously issued by the Agency.

TYPE OF EMPLOYMENT					
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals
Present Full Time	8	25	2	0	35
Present Part Time	0	0	0	0	0
Present Seasonal	0	0	0	0	0
First Year Full Time	1	1	0	0	2
First Year Part Time	0	0	0	0	0
First Year Seasonal	0	0	0	0	0
Second Year Full Time	0	3	0	0	3
Second Year Part Time	0	0	0	0	0
Second Year Seasonal	0	0	0	0	0

B. Please prepare a separate attachment describing in detail the types of employment at the Project site. Such attachment should describe the activities or work performed for each type of employment.

ATTACHMENT

IV. EMPLOYMENT IMPACT

(B) DETAIL OF TYPES OF EMPLOYMENT

Professional or Managerial – comptroller, billing, maintenance entity, accounts receivable, accounts payable, sales people

Skilled – parts technicians, mechanics, truck drivers (bringing equipment to sites)

Unskilled – mechanic helpers

V. **PROJECT COST.**

A. Anticipated Project Costs. 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, and including any utilities, access roads or appurtenant facilities, using the following categories:

<u>Description of Cost</u>	<u>Amount</u>
Land	\$ <u>1,151,600*</u>
Buildings	\$ <u>4,470,700*</u>
Machinery and equipment costs	\$ <u>365,200*</u>
Utilities, roads and appurtenant costs	\$ <u>998,500*</u>
Architects and engineering fees	\$ <u>185,200*</u>
Costs of Bond Issue (legal, financial and printing)	\$ <u>----</u>
Construction loan fees and interest (if applicable)	\$ <u>----</u>
Other (specify)	
_____	\$ _____
_____	\$ _____
_____	\$ _____
TOTAL PROJECT COSTS	\$ <u>7,171,200*</u>

* - estimated

B. Have any of the above expenditures already been made by the applicant?
 Yes ; No . If yes, indicate particulars.

_____ Consulting and engineering fees - \$60,000

C. Amount of loan requested: \$ 7,000,000;

Maturity requested: 20 years.

D. Has a commitment for financing been received as of this application date, and if so, from whom?

Yes ; No . Institution Name: National Bank of Coxsackie

Provide name and telephone number of the person we may contact.

Name: Joseph Siniski Phone: 731-6161

VI. FINANCIAL ASSISTANCE EXPECTED FROM THE AGENCY.

A. Financing

1. Is the applicant requesting that the Agency issue bonds to assist in financing the project? Yes ; No . If yes, indicate:

a. Amount of loan requested: Dollars;

b. Maturity requested: Years.

2. Is the interest on such bonds intended to be exempt from federal income taxation? Yes ; No .

3. If the answer to question 2 is yes, will any portion of the Project be used for any of the following purposes: N/A

a. retail food and beverage services: Yes ; No

b. automobile sales or service: Yes ; No

c. recreation or entertainment: Yes ; No

d. golf course: Yes ; No

e. country club: Yes ; No

f. massage parlor: Yes ; No

g. tennis club: Yes ; No

h. skating facility (including roller skating, skateboard and ice skating): Yes ; No

i. racquet sports facility (including handball and racquetball court): Yes ; No

j. hot tub facility: Yes ; No

k. suntan facility: Yes ; No

l. racetrack: Yes ; No

4. If the answer to any of the above questions contained in question 3 is yes, please furnish details on a separate attachment.

5. Is the Applicant requesting the Agency to issue federally tax exempt Enterprise Zone bonds? Yes____; No x.

B. Tax Benefits.

1. 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 Agency? Yes x; No _____.

2. Is the applicant expecting that the financing for the Project will be secured by one or more mortgages? Yes x; No _____. If yes, what is the approximate amount of financing to be secured by mortgages? \$ 7,000,000.

3. Is the applicant expecting to be appointed agent of the Agency for the purpose of qualifying for exemption from N.Y.S. Sales Tax or Compensating Use Tax? Yes x; No _____. If yes, what is the approximate amount of purchases which the applicant expects to be exempt from the N.Y.S. Sales and Compensating Use Taxes? \$ 3,493,000.

4. 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.

- a. N.Y.S. Sales and Compensating Use Taxes: \$ 288,172.50
- b. Mortgage Recording Taxes: \$ 70,000
- c. Real Property Tax Exemptions: \$ 318,947.77
- d. Other (please specify):
_____ \$ ---
_____ \$ ---

5. Are any of the real property tax exemptions being sought inconsistent with the Agency's Uniform Tax Exemption Policy? Yes ____; No x. If yes, please explain how the request of the applicant differs from the Agency's Uniform Tax Exemption Policy:

N/A

6. Is the Project located in the Town's state designated Empire Zone? Yes____; No x.

- C. Project Benefit Information. Using the attached template, provide the Agency with information so that the Agency can perform a cost/benefit analysis of undertaking the Project.

VII. 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 (including any tenants located in the Project) will be listed with (1) the New York State Department of Labor Community Services Division (the “DOL”) and (2) the administrative entity of the service delivery area created by the Federal Job Training Partnership Act (P.L. No. 97-300) (the “JTPA Law”) in which the Project Facility is located (while currently cited in Section 858-b of the Act, the Federal Job Training Partnership Act was repealed effective June 1, 2000, and has been supplanted by the Workplace Investment Act of 1998 (P.L. No. 105-220)).
- 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 (and any tenants located in the Project) will first consider persons eligible to participate in JTPA Law 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 (including any tenants located in the Project), with the Agency, on an annual basis, reports regarding the number of people employed at the project site.

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

None



Finke Enterprises, LLC
Applicant

By: John Finke

Title: President

NOTE: APPLICANT MUST COMPLETE THE VERIFICATION APPEARING ON PAGES 25 THROUGH 28 HEREOF BEFORE A NOTARY PUBLIC AND MUST SIGN AND ACKNOWLEDGE THE HOLD HARMLESS AGREEMENT APPEARING ON PAGE 29.

VERIFICATION

(If Applicant is a Limited Liability Company)

STATE OF NEW YORK)
) SS.:
COUNTY OF Albany)

John Finke, deposes and says that he is the
(Name of officer of applicant)
President of Finke Enterprises, LLC
(Title) (Company Name)

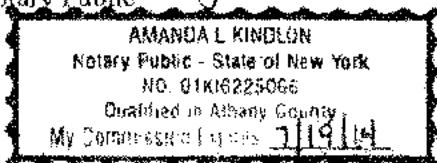
the Company named in the attached application; that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. Deponent further says that the reason this verification is made by the deponent and not by said Company is because the said Company is a limited liability company. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as an officer of and from the books and papers of said Company.

[Signature]
(Officer of applicant)

Sworn to before me this

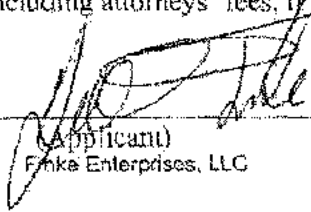
21 day of November, 2012.

Amanda J. Kindlon
Notary Public



HOLD HARMLESS AGREEMENT

Applicant hereby releases the Town of Bethlehem Industrial Development Agency and the members, officers, servants, agents and employees thereof (hereinafter collectively referred to as 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 (1) 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 issue of bonds requested therein are favorable acted upon by the Agency, and (2) the Agency described therein or the issue of bonds requested therein financing of the project described herein, 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. 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 find buyers willing to purchase the total bond issue requested, then, and in that event, upon presentation of any invoice itemizing the same, Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.



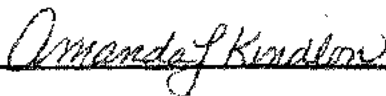
(Applicant)
Finke Enterprises, LLC

By: John Finke

Title: President

Sworn to before me this

21 day of November, 2012.



AMANDA L. KINDLON
Notary Public - State of New York
NO. 01X16225065
Qualified in Albany County
My Commission Expires 7/19/14

NOTE: THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY
UNLESS THE APPLICANT SIGNS THIS HOLD HARMLESS AGREEMENT
APPEARING ON PAGE 29.

**TOWN OF BETHLEHEM INDUSTRIAL DEVELOPMENT AGENCY
COST / BENEFIT ANALYSIS - PROJECT QUESTIONNAIRE**

In order for the Town of Bethlehem Industrial Development Agency (the “Agency”) to prepare a Cost/Benefit Analysis for a proposed project (the “Project”), the Applicant must answer the questions contained in this Project Questionnaire (the “Questionnaire”) and complete the attached Schedules. This Questionnaire and the attached Schedule will provide information regarding various aspects of the Project, and the costs and benefits associated therewith.

The Questionnaire must be completed before we can finalize the Cost/Benefit Analysis. Please complete the Questionnaire and forward it to us at your earliest convenience.

1. Name of Project Beneficiary (“Company”):	Robert H. Finke & Sons, Inc.
2. Brief Identification of the Project:	Construction of new 56,000 sq. ft. building and subsequent demolition of two existing buildings
3. Estimated Amount of Project Benefits Sought:	
A. Amount of Bonds Sought:	\$ -----
B. Value of Sales Tax Exemption Sought	\$ 288,172.50
C. Value of Real Property Tax Exemption Sought	\$ 318,947.77
D. Value of Mortgage Recording Tax Exemption Sought	\$ 70,000

PROJECTED PROJECT INVESTMENT

A. Land-Related Costs	
1. Land acquisition	\$ -----
2. Site preparation	\$ 1,117,900*
3. Landscaping	\$ 33,700*
4. Utilities and infrastructure development	\$ 272,200*
5. Access roads and parking development	\$ 726,300 *
6. Other land-related costs (describe)	\$ -----
B. Building-Related Costs	
1. Acquisition of existing structures	\$ -----
2. Renovation of existing structures	\$ -----
3. New construction costs	\$ 3,283,200*
4. Electrical systems	\$ 575,300*
5. Heating, ventilation and air conditioning	\$ 522,200 *
6. Plumbing	\$ 90,000 *
7. Other building-related costs (describe)	\$ -----

* - estimated

PROJECTED PROJECT INVESTMENT - Continued

C.	Machinery and Equipment Costs	
1.	Production and process equipment	\$ ----
2.	Packaging equipment	\$ ----
3.	Warehousing equipment	\$ ----
4.	Installation costs for various equipment	\$ ----
5.	Other equipment-related costs (describe) - vehicle exhaust, lub systems, cranes	\$ 365,200*
D.	Furniture and Fixture Costs	
1.	Office furniture	\$ ----
2.	Office equipment	\$ ----
3.	Computers	\$ ----
4.	Other furniture-related costs (describe)	\$ ----
E.	Working Capital Costs	
1.	Operation costs	\$ ----
2.	Production costs	\$ ----
3.	Raw materials	\$ ----
4.	Debt service	\$ ----
5.	Relocation costs	\$ ----
6.	Skills training	\$ ----
7.	Other working capital-related costs (describe)	\$ ----
F.	Professional Service Costs	
1.	Architecture and engineering	\$ 185,200*
2.	Accounting/legal	\$ ----
3.	Other service-related costs (describe)	\$ ----
G.	Other Costs	
1.	_____	\$ ----
2.	_____	\$ ----
H.	Summary of Expenditures	
1.	Total Land Related Costs	\$ 2,150,100*
2.	Total Building Related Costs	\$ 4,470,700*
3.	Total Machinery and Equipment Costs	\$ 365,200*
4.	Total Furniture and Fixture Costs	\$ ----
5.	Total Working Capital Costs	\$ ----
6.	Total Professional Service Costs	\$ 185,200 *
7.	Total Other Costs	\$ ----

* - estimated

PROJECTED CONSTRUCTION EMPLOYMENT IMPACT

I. Please provide estimates of total construction jobs at the Project:

Year	Construction Jobs (Annual wages and benefits \$40,000 and under)	Construction Jobs (Annual wages and benefits over \$40,000)
Current Year - 2012	4	10
Year 1 - 2013	10	130
Year 2	--	--
Year 3	--	--
Year 4	--	--
Year 5	--	--

II. Please provide estimates of total annual wages and benefits of total construction jobs at the Project:

Year	Total Annual Wages and Benefits	Estimated Additional NYS Income Tax
Current Year	\$ 89,600.00	\$ 3,316.00
Year 1	\$ 2,451,200.00	\$ 85,785.00
Year 2	\$ --	\$ --
Year 3	\$ --	\$ --
Year 4	\$ --	\$ --
Year 5	\$ --	\$ --

PROJECTED PERMANENT EMPLOYMENT IMPACT

I. Please provide estimates of total existing permanent jobs to be preserved or retained as a result of the Project:

Year	Existing Jobs (Annual wages and benefits \$40,000 and under)	Existing Jobs (Annual wages and benefits over \$40,000)
Current Year	8	27
Year 1	8	27
Year 2	8	27
Year 3	8	27
Year 4	8	27
Year 5	8	27

II. Please provide estimates of total new permanent jobs to be created at the Project:

Year	New Jobs (Annual wages and benefits \$40,000 and under)	New Jobs (Annual wages and benefits over \$40,000)
Current Year	--	--
Year 1	--	2
Year 2	--	3 (for 5 total new jobs)
Year 3	--	(5 total new jobs)
Year 4	--	(5 total new jobs)
Year 5	--	(5 total new jobs)

III. Please provide estimates of total annual wages and benefits of total permanent jobs at the Project:

Year	Total Annual Wages and Benefits	Estimated Additional NYS Income Tax
Current Year - 2012	\$ 2,545,600.00*	\$ base amount - 89,096
Year 1 - 2013	\$ 2,604,900.00* plus 2 new jobs - \$100k	\$ 91,171.50 plus \$3,500 for new jobs
Year 2 - 2014	\$ 2,706,800.00* plus 5 new jobs - \$250k	\$ 94,738.00 plus \$8,750 for new jobs
Year 3 -2015	\$ 2,771,000.00* plus 5 new jobs - \$250k	\$ 96,985.00 plus \$8,750 for new jobs
Year 4	\$ _____	\$ _____
Year 5	\$ _____	\$ _____

* - based on current total permanent jobs - 35

IV. Please provide estimates for the following:

A. Creation of New Job Skills relating to permanent jobs. Please complete Schedule A.

PROJECTED OPERATING IMPACT

I. Please provide estimates for the impact of Project operating purchases and sales:

Additional Purchases (1 st year following project completion)	\$ <u>200,000</u>
Additional Sales Tax Paid on Additional Purchases	\$ <u>16,500</u>
Estimated Additional Sales (1 st full year following project completion)	\$ <u>914,000</u>
Estimated Additional Sales Tax to be collected on additional sales (1 st full year following project completion)	\$ <u>75,405</u>

II. Please provide estimates for the impact of Project on existing real property taxes and new payments in lieu of taxes (“Pilot Payments”):

Year	Existing Real Property Taxes *	New Pilot Payments	Total
Current Year (2012)	\$15,201.07	---	\$15,201.07
Year 1	15,769.62	\$57,990.50	73,760.12
Year 2	15,769.62	63,789.55	79,559.18
Year 3	15,769.62	69,588.60	85,358.23
Year 4	15,769.62	75,387.65	91,157.28
Year 5	15,769.62	81,186.70	96,956.33
Year 6	15,769.62	86,985.75	102,755.38
Year 7	15,769.62	92,784.81	108,554.43
Year 8	15,769.62	98,583.86	114,353.48
Year 9	15,769.62	104,382.91	120,152.53
Year 10	15,769.62	110,181.96	125,951.58

* - for years 1-10, amount listed is estimated amount of property taxes not subject to PILOT

III. Please provide estimates for the impact of other economic and local benefits expected to be produced as a result of the Project:

Creation of a "smart room"/"learning center" to train the Company's workers in-house and also to be used by manufacturers the Company works with to be their service school and to be used for people learning the trade by offering an outside curriculum to students interested in the industry with 14-16 students in 8-10 week courses on construction equipment operation, maintenance and repair.

IV. Please provide estimates for the impact of economic and local costs expected to be produced as a result of the Project:

The Project will help the local construction business, but it is not possible to quantify the exact costs.

CERTIFICATION

I certify that I have prepared the responses provided in this Questionnaire and that, to the best of my knowledge, such responses are true, correct and complete.

I understand that the foregoing information and attached documentation will be relied upon, and constitute inducement for, the Agency in providing financial assistance to the Project. I certify that I am familiar with the Project and am authorized by the Company to provide the foregoing information, and such information is true and complete to the best of my knowledge. I further agree that I will advise the Agency of any changes in such information, and will answer any further questions regarding the Project prior to the closing.

Date Signed: _____, 200_.	Name of Person Completing Project Questionnaire on behalf of the Company. Name: <u>John Finke</u> Title: <u>President</u> Telephone Number: <u>767-9331</u> Signature: _____
----------------------------------	--

**TOWN OF BETHLEHEM INDUSTRIAL DEVELOPMENT AGENCY
ANNUAL STATEMENT OF FINANCIAL DISCLOSURE**

Project Name:	Robert H. Finke & Sons, Inc.
Project Type:	New construction
Total Project Cost:	\$7,171,200

	<u>Total Year 1</u>	<u>Total Years 2-10</u>	<u>Total Year 10</u>
Part 1: Sources of Tax Savings & Payments			
Estimated Sales Tax Savings:			
Projected Construction Cost	\$ 6,986,000	\$ 0	\$ 0
Percent Taxable (Estimated)	50%		
Sales Tax Rate	8.25%		
Sales Tax Due	\$ 288,172.50	\$	\$
Sales Tax Saved	<u>\$ 288,172.50</u>	<u>\$ 0</u>	<u>\$ 0</u>
Estimated Mortgage Tax Savings			
Mortgage Amount	\$ 7,000,000	\$ 0	\$ 0 -
Mortgage Tax Rate	1.00%		
Mortgage Tax Due	\$ 70,000	\$ -	\$ -
Mortgage Tax Saved	<u>\$ 70,000</u>	<u>\$ 0</u>	<u>\$ 0 -</u>
Estimated Real Property Tax Savings & Payments: (Schedule A)			
Estimated Assessed Value	\$4,500,000	\$4,500,000	\$4,500,000
Property Taxes Saved	\$ 57,990.05	\$ 255,158.21	\$ 5,799.05
Property Taxes and PILOT Payments	<u>\$ 73,760.12</u>	<u>\$ 798,846.84</u>	<u>\$ 125,951.58</u>
Total Estimated Net Tax Savings:	<u>\$ 416,162.55</u>	<u>\$ 255,158.21</u>	<u>\$ 5,799.05</u>
Part 2: Community Benefits & New Taxes Produced			
Employment and Wages:			
Number of Existing Jobs	35	37	40
Total Projected New Jobs	2	3	0
Average Annual Wage of New Jobs (Schedule B)	\$ 50,000	\$ 50,000	\$ -
Projected Total Wages of New Jobs (Schedule B)	<u>\$ 100,000</u>	<u>\$ 150,000</u>	<u>\$ -</u>
Income and Sales Taxes:			
Average State Income Tax Rate *	3.50%	3.50%	3.50%
Estimated Total State Income Taxes Paid	\$ 94,671.50	\$ 740,145.00	\$ 105,735.00
Average % of Income Paid as Sales Tax	1.8%	1.8%	1.8%
Sales Tax Rate	8.25%	8.25%	8.25%
Total Sales Tax Paid	\$ 48,688.20	\$ 433,868.40	\$ 54,378.00
Total Income and Sales Taxes Paid	<u>\$ 143,359.70</u>	<u>\$ 1,174,013.40</u>	<u>\$ 160,113.00</u>
Estimated Indirect Benefits and Taxes			
Estimated Indirect Taxes Paid (ad valorem, fire, etc)	\$ 15,769.62	\$ 126,156.96	\$ 15,769.62
Fee Paid to Agency	\$ 450,000	\$ 28,684.80	\$ 3,585.60
Total Indirect Benefits	<u>\$ 465,769.62</u>	<u>\$ 150,156.96</u>	<u>\$ 18,769.62</u>
Total Estimated NYS Taxes and Agency Fee	<u>\$ 593,359.70</u>	<u>\$ 1,202,698.20</u>	<u>\$ 163,584.60</u>
Total Estimated Net Tax Savings	<u>\$ 416,162.55</u>	<u>\$ 255,158.21</u>	<u>\$ 5,799.05</u>
Projected Net Community Benefits (Loss)	<u>\$ 177,197.15</u>	<u>\$ 947,539.99</u>	<u>\$ 157,785.55</u>

*Average state income tax rate was supplied by the IDA

Part 3: Cost Benefit Analysis

Schedule A - Property Tax Abatement:

Base Year Annual Taxes	<u>\$ 15,201.07</u>
Estimated Annual Taxes on Improvements	<u>\$ 131,750.63</u> (based on estimated assessed value of \$4,500,000)
Taxes Eligible for Abatement	<u>\$ 115,981.01</u>

<u>Year</u>	<u>% Tax Due</u>	<u>Tax Due</u>	<u>Tax Savings</u>
Year 1	50	\$ 73,760.42	\$ 57,990.50
Year 2	55	\$ 79,559.18	\$ 52,191.45
Year 3	60	\$ 85,358.28	\$ 46,392.40
Year 4	65	\$ 91,157.28	\$ 40,593.35
Year 5	70	\$ 96,956.33	\$ 34,794.30
Year 6	75	\$ 102,755.38	\$ 28,995.25
Year 7	80	\$ 108,554.43	\$ 23,196.20
Year 8	85	\$ 114,353.48	\$ 17,397.15
Year 9	90	\$ 120,152.53	\$ 11,598.10
Year 10	95	\$ 125,951.58	\$ 5,799.05
Totals		\$ 998,558.54	\$ 318,947.77
Average		\$ 99,855.85	\$ 31,894.78 (over 10 years)

Schedule B - Calculation of Projected Total Wages for New Hires:

<u>Year</u>	<u>Projected New Hires</u>	<u>Average Annual Wage of New Jobs</u>	<u>Total Annual Wage of New Jobs</u>
Year 1	2	\$ 50,000.00	\$ 100,000.00
Year 2	3	\$ 50,000.00	\$ 150,000.00
Year 3		\$ -	\$ -
Year 4		\$ -	\$ -
Year 5		\$ -	\$ -
Year 6		\$ -	\$ -
Year 7		\$ -	\$ -
Year 8		\$ -	\$ -
Year 9		\$ -	\$ -
Year 10		\$ -	\$ -
Totals	5	\$ -	\$ 250,000.00
Average		\$ 50,000.00	\$ -

ROBERT H. FINKE & SONS, INC.

FINANCIAL STATEMENTS
AND
INDEPENDENT
ACCOUNTANT'S REVIEW REPORT
DECEMBER 31, 2011 AND 2010

ROBERT H. FINKE & SONS, INC.
FINANCIAL STATEMENTS
AND
INDEPENDENT
ACCOUNTANT'S REVIEW REPORT
DECEMBER 31, 2011 AND 2010

CONTENTS

	<u>Page</u>
Independent Accountant's Review Report	1
Financial Statements	
Balance Sheets	2-3
Statements of Income and Retained Earnings	4
Notes to Financial Statements	5-9
Supplemental Information	
Schedules of General and Administrative Expenses	10

Joseph V. O'Brien

Certified Public Accountant
15 Greenridge Drive
Clifton Park, New York 12065-6628
Phone / Fax 518-383-9110

Independent Accountant's Review Report

To the Board of Directors
Robert H. Finke & Sons, Inc.
Selkirk, New York

I have reviewed the accompanying balance sheets of Robert H. Finke & Sons, Inc. (a C-corporation) as of December 31, 2011 and 2010, and the related statements of income and retained earnings for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

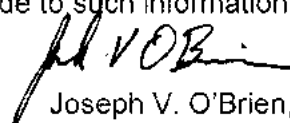
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, with the exception of the matter described in the following paragraph, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

A statement of cash flows for the years ended December 31, 2011 and 2010 has not been presented. Accounting principles generally accepted in the United States of America require that such a statement be presented when financial statements purport to present financial position and results of operations.

My review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information included in the accompanying Schedules of General and Administrative Expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and I did not become aware of any material modifications that should be made to such information.


Joseph V. O'Brien, CPA

Clifton Park, New York
February 29, 2012

ROBERT H. FINKE & SONS, INC.

BALANCE SHEETS

DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 3,216,916	\$ 1,735,504
Accounts Receivable, Net	5,318,121	4,022,428
Inventories	1,801,935	1,929,960
Prepaid Taxes	50,000	255,389
Bid Deposits	<u>2,738</u>	<u>6,152</u>
Total Current Assets	<u>10,389,710</u>	<u>7,949,433</u>
RENTAL FLEET		
Machinery and Equipment	35,565,706	33,176,969
Less: Accumulated Depreciation	<u>(24,043,799)</u>	<u>(22,430,588)</u>
Net Rental Fleet	<u>11,521,907</u>	<u>10,746,381</u>
PROPERTY AND EQUIPMENT		
Property and Equipment	2,966,774	2,814,134
Less: Accumulated Depreciation	<u>(2,147,738)</u>	<u>(1,922,912)</u>
Net Property and Equipment	<u>819,036</u>	<u>891,222</u>
OTHER ASSETS		
Cash Surrender Value, Officer Life Insurance	<u>82,727</u>	<u>92,026</u>
Total Other Assets	<u>82,727</u>	<u>92,026</u>
	<u>\$ 22,813,380</u>	<u>\$ 19,679,062</u>

See Accompanying Notes and Independent Accountant's Review Report.

ROBERT H. FINKE & SONS, INC.
 BALANCE SHEETS (CONTINUED)
 DECEMBER 31, 2011 AND 2010

LIABILITIES AND STOCKHOLDERS' EQUITY

	<u>2011</u>	<u>2010</u>
CURRENT LIABILITIES		
Lines of Credit - Machinery and Equipment Floor Plan	\$ 9,834,649	\$ 8,236,533
Current Portion of Long-term Debt	826,778	818,036
Accounts Payable - Trade	930,468	791,854
Income Taxes Payable	74,248	-
Sales Tax Payable	<u>25,450</u>	<u>5,682</u>
Total Current Liabilities	<u>11,691,593</u>	<u>9,852,105</u>
LONG-TERM LIABILITIES		
Long-term Debt, Net of Current Portion	1,740,688	1,610,768
Deferred Income Taxes	<u>1,373,107</u>	<u>516,261</u>
Total Long-term Liabilities	<u>3,113,795</u>	<u>2,127,029</u>
Total Liabilities	<u>14,805,388</u>	<u>11,979,134</u>
STOCKHOLDERS' EQUITY		
Common Stock		
Class A, Voting, Par Value, 25,000 Shares Authorized 120 Shares Issued and Outstanding	21,762	21,762
Class B, Nonvoting, Par Value, 25,000 Shares Authorized, 600 Shares Issued and Outstanding		
Additional Paid-In-Capital	134,285	134,285
Retained Earnings	<u>7,851,945</u>	<u>7,543,881</u>
Total Stockholders' Equity	<u>8,007,992</u>	<u>7,699,928</u>
	<u>\$ 22,813,380</u>	<u>\$ 19,679,062</u>

See Accompanying Notes and Independent Accountant's Review Report.

ROBERT H. FINKE & SONS, INC.
 STATEMENTS OF INCOME AND RETAINED EARNINGS
 FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
SALES AND SERVICES	\$ 17,471,798	\$ 15,445,554
COST OF SALES	<u>9,085,853</u>	<u>8,189,397</u>
GROSS PROFIT	8,385,945	7,256,157
GENERAL & ADMINISTRATIVE EXPENSES	<u>6,663,377</u>	<u>5,636,875</u>
INCOME FROM OPERATIONS BEFORE OTHER INCOME (EXPENSE)	<u>1,722,568</u>	<u>1,619,282</u>
OTHER INCOME (EXPENSE)		
Gain (Loss) on Disposal of Fixed Assets	(6,758)	22,370
Miscellaneous Income	23,782	51,338
Interest Expense	<u>(467,081)</u>	<u>(504,720)</u>
Total Other Income (Expense)	<u>(450,057)</u>	<u>(431,012)</u>
NET INCOME BEFORE PROVISION FOR TAXES	<u>1,272,511</u>	<u>1,188,270</u>
PROVISION FOR INCOME TAXES		
State Franchise Tax	107,601	34,682
Deferred Taxes	<u>856,846</u>	<u>112,816</u>
Total Income Taxes	<u>964,447</u>	<u>147,498</u>
NET INCOME	308,064	1,040,772
RETAINED EARNINGS, AT BEGINNING OF YEAR	7,543,881	6,503,109
RETAINED EARNINGS, AT END OF YEAR	<u>\$ 7,851,945</u>	<u>\$ 7,543,881</u>

See Accompanying Notes and Independent Accountant's Review Report.

ROBERT H. FINKE & SONS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Company was incorporated in New York State on December 18, 1980 and operates principally in sales, rental and service of heavy construction machinery and equipment.

Method of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting whereby revenue is recognized when earned and expenses are recognized when incurred.

Use of Estimates

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

Cash Equivalents

For the purposes of reporting of cash flows, the Company considers cash in operating bank accounts, demand deposits, cash on hand, and highly liquid debt instruments purchased with a maturity of three months or less as cash and cash equivalents.

Concentration of Credit Risk

The Company operates and grants credit to customers in the normal course of business. Financial instruments that potentially subject the Company to credit risk include accounts receivable. Accounts receivable derived from sales are not collateralized. The Company maintains cash balances in financial institution in excess of the Federal Deposit Insurance Corporation (FDIC) \$250,000 insured limits.

Accounts Receivable

The Company uses the allowance method for financial statement purposes and the direct write-off method for income tax reporting. At December 31, 2011 and 2010 no accounts were deemed uncollectible.

Inventory

Inventory of parts and machinery and equipment is valued at the lower of stated costs (which approximates average costs) or market.

Reclassifications

Certain reclassifications were made to the 2010 financial statements presentation in order to conform to the 2011 financial statements presentation.

ROBERT H. FINKE & SONS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011 AND 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and Equipment are recorded at cost and are being depreciated over their class lives using the straight-line method and a percentage of rents method for financial statement reporting and Accelerated Cost Recovery System (ACRS) and Modified Accelerated Cost Recovery System (MACRS) for income tax reporting purposes. The class lives of assets range from 3 – 40 Years. When assets are retired, or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts, and any resulting gain or loss is reflected in income for the period. Expenses for repairs and maintenance are charged to operations, while additions and substantial improvements are capitalized and depreciated. Depreciation expense of the property and equipment is charged to operations.

Depreciation deducted on the Company's rental fleet, which is a component of cost of sales for financial statement reporting amounted to \$4,674,853 and \$3,718,448, for the years ended December 31, 2011 and 2010, respectively. Depreciation deducted on the Company's property and equipment, which is reported as an operating expense amounted to \$249,615 and \$220,671, for the years ended December 31, 2011 and 2010, respectively.

Income Taxes

The provision for income taxes represents income taxes paid or payable for the current year plus the change in deferred taxes during the year. Deferred income taxes have been determined using the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement carrying amounts and tax bases of assets and liabilities using enacted tax rates in effect for the years in which the differences are expected to reverse. This method also allows for the recognition of deferred tax assets in the current period for the future benefit of net operating loss carryforwards and items for which expenses have been recognized for financial statement purposes, but will be deductible in future periods for income tax purposes. The temporary differences in these financial statements relate primarily to depreciation expense between book and tax income and net operating loss carryforwards. A valuation allowance is provided for deferred tax assets if it is uncertain as to the future realization of these benefits.

Uncertain Tax Positions

The Company accounts for certain tax positions in accordance with the Income Tax Topic of the FASB Accounting Standards Codification. The Income Taxes Topic of the FASB Accounting Standards Codification prescribes a recognition threshold and measurement process for financial statement recognition of uncertain tax positions taken or expected to be taken in a tax return. It also provides guidance related to uncertain tax positions such as recognition, derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Provisions related to uncertain tax positions were adopted effective January 1, 2009. Management has determined that there was no impact on total liabilities or stockholders' equity as a result of the adoption.

Subsequent Events

The Company evaluates events or transactions that occur subsequent to year end for potential recognition or disclosure in the financial statements through the date on which the financial statements are available to be issued. The financial statements were approved by management and available to be issued on February 29, 2012.

See Independent Accountant's Review Report.

ROBERT H. FINKE & SONS, INC.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2011 AND 2010

NOTE 2 – INVENTORY

The components of inventory at December 31, 2011 and 2010 are as follows:

	<u>2011</u>	<u>2010</u>
Parts	\$ 1,147,375	\$ 992,318
Machinery and Equipment	654,560	937,642
Total Inventory	<u>\$ 1,801,935</u>	<u>\$ 1,929,960</u>

NOTE 3 – RENTAL FLEET

The rental fleet represents machinery and equipment rented to customers. The rental fleet is stated on the balance sheet at costs. Expenses for repairs and maintenance are charged to operations, while additions and substantial improvements are capitalized and depreciated. Depreciation expense of the rental fleet is charged to costs of sales. The costs and related accumulated depreciation of items sold, retired or disposed are removed from the balance sheet and the gross sales less book value is recognized in sales and services on the statement of income. The rental fleet is summarized as follows:

	<u>2011</u>	<u>2010</u>
Machinery and Equipment	\$ 35,565,706	\$ 33,176,969
Less: Accumulated Depreciation	(24,043,799)	(22,430,588)
Net Rental Fleet	<u>\$ 11,521,907</u>	<u>\$ 10,746,381</u>

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

	<u>2011</u>	<u>2010</u>
Leasehold Improvements	\$ 226,040	\$ 226,040
Vehicles, Trailers and Equipment	2,740,734	2,588,094
Total Property and Equipment	2,966,774	2,814,134
Less: Accumulated Depreciation	(2,147,738)	(1,922,912)
Net Property and Equipment	<u>\$ 819,036</u>	<u>\$ 891,222</u>

NOTE 5 – LINES OF CREDIT – MACHINERY AND EQUIPMENT FLOOR PLAN

The floor plan lines are payable to various financial institutions and bear interest at effective rates that vary depending on manufacturers and lender programs. The lines of credit are secured by each unit and as of December 31, 2011 and 2010 the outstanding balances were \$9,834,649 and \$8,236,533, respectively. The loan agreements require repayment of the related debts upon sale of each unit.

ROBERT H. FINKE & SONS, INC.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2011 AND 2010

NOTE 6 – LONG-TERM DEBT

Long-term Debt consists of the following:

	<u>2011</u>	<u>2010</u>
Vehicle and Trailer Notes Payable	\$ 694,871	\$ 720,410
Equipment Notes Payable	1,872,595	1,708,394
Total Long-term Debt	<u>2,567,466</u>	<u>2,428,804</u>
Less: Current Portion	<u>(826,778)</u>	<u>(818,036)</u>
Total Long-term Debt, Net of Current Portion	<u>\$ 1,740,688</u>	<u>\$ 1,610,768</u>

The notes payable are due in varying amounts and are secured by the related assets. Annual interest rates vary up to 9.00%.

Long-term Debt matures as follows at December 31:

2012	\$ 826,778
2013	712,763
2014	555,915
2015	312,829
2016	135,522
Thereafter	<u>23,659</u>
Total Long-term Debt	<u>\$ 2,567,466</u>

NOTE 7 – STOCKHOLDERS' EQUITY

There are two classes of stock as follows:

Class A, Preferred shares, Voting stock with a par value of \$0.05 per share, 25,000 shares authorized, 120 shares issued and outstanding. Class B, Nonvoting stock with a par value of \$0.05 per share, 25,000 shares authorized, 600 issued and outstanding.

NOTE 8 – PROVISION FOR INCOME TAXES

The provision for income tax expense (benefit) has been computed at the statutory rates applicable during the years. The components of taxes on income at December 31, 2011 and 2010 consisted of the following:

	<u>2011</u>	<u>2010</u>
Current		
Federal	\$ -	\$ -
State	107,601	34,682
Total Current	<u>\$ 107,601</u>	<u>\$ 34,682</u>
Deferred Taxes	856,846	112,816
Total Provision for Taxes	<u>\$ 964,447</u>	<u>\$ 147,498</u>

As of December 31, 2011, the Company had federal net operating loss carryforwards of \$2,289,163 that can be deducted against future taxable income. These carryforwards will expire in the year ending December 31, 2031.

ROBERT H. FINKE & SONS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011 AND 2010

NOTE 9 - RELATED PARTIES

Common Ownership

The Company is related to another dealership, Bobcat of Saratoga, LLC through common ownership and management. During 2011 and 2010 related party transactions were as follows:

	<u>2011</u>	<u>2010</u>
Sales	\$ 486,966	\$ 567,837
Purchases	\$ 318,802	\$ 448,298
Accounts Receivable	\$ 749,661	\$ 440,472
Accounts Payable	\$ 105,478	\$ 14,000

Rent Expense

The Corporation rents its operating and warehouse facility from Finke Enterprises, LLC and a storage yard from Bobcat of Saratoga, LLC. Both entities are related parties through common ownership and management. Annual rent expense for years ended December 31, 2011 and 2010 amounted to \$204,000 and \$168,000, respectively.

NOTE 10 – RETIREMENT PLAN

The Company has an established profit sharing plan, which covers substantially all non-union employees. Contributions are voluntary and are made on the Board of Directors discretion. Profit sharing expenses for the years ended December 31, 2011 and 2010 was \$43,092 and \$41,683, respectively.

NOTE 11 – ADVERTISING

Advertising costs are expensed as incurred. Advertising expense was \$58,576 and \$23,720 for the years ended December 31, 2011 and 2010, respectively.

Supplemental Information

ROBERT H. FINKE & SONS, INC.
SCHEDULES OF GENERAL & ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
GENERAL & ADMINISTRATIVE EXPENSES		
Advertising	\$ 58,576	\$ 23,720
Depreciation	249,615	220,671
Equipment Rental	303,166	210,593
Equipment Fuel	99,285	49,806
Freight	175,067	177,290
Insurance - General	712,575	602,404
Insurance - Health	173,037	154,992
Maintenance & Repairs - Machinery & Equipment	762,823	716,150
Maintenance & Repairs - Building & Property	25,973	24,217
Miscellaneous	552	-
Office & Computer Expense	113,920	114,466
Outside Labor	5,000	-
Salaries - Officers'	567,500	415,480
Salaries	1,798,296	1,617,982
Payroll Taxes	173,476	156,100
Pension	43,092	41,683
Professional Fees	113,518	108,865
Rent	204,000	168,000
Sales Promotions	125,057	112,315
Shop Tools and Supplies	100,858	59,599
Telephone	39,912	41,063
Travel	39,549	26,342
Tolls & Permits	101,109	89,488
Truck Fuel	410,997	292,307
Truck Maintenance	160,062	103,701
Truck Rental	24,252	17,866
Truck Use Tax, Fees & Registrations	37,668	53,976
Utilities	44,442	37,799
	\$ 6,663,377	\$ 5,636,875
Total General & Administrative Expenses		

ROBERT H. FINKE & SONS, INC.

FINANCIAL STATEMENTS
AND
INDEPENDENT
ACCOUNTANT'S REVIEW REPORT
DECEMBER 31, 2010 AND 2009

ROBERT H. FINKE & SONS, INC.
FINANCIAL STATEMENTS
AND
INDEPENDENT
ACCOUNTANT'S REVIEW REPORT
DECEMBER 31, 2010 AND 2009

CONTENTS

	<u>Page</u>
Independent Accountant's Review Report	1
Financial Statements	
Balance Sheets	2-3
Statements of Income and Retained Earnings	4
Notes to Financial Statements	5-9
Supplemental Information	
Schedules of General and Administrative Expenses	10

Joseph V. O'Brien

Certified Public Accountant
15 Greenridge Drive
Clifton Park, New York 12065-6628
Phone / Fax 518-383-9110

Independent Accountant's Review Report

To the Board of Directors
Robert H. Finke & Sons, Inc.
Selkirk, New York

I have reviewed the accompanying balance sheets of Robert H. Finke & Sons, Inc. (a C-corporation) as of December 31, 2010 and 2009, and the related statements of income and retained earnings for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

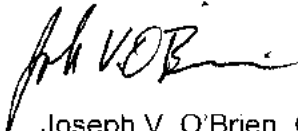
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, with the exception of the matter described in the following paragraph, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United State of America.

A statement of cash flows for the years ended December 31, 2010 and 2009 has not been presented. Accounting principles generally accepted in the United States of America require that such a statement be presented when financial statements purport to present financial position and results of operations.

My review was made for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The information included in the accompanying Schedules of General and Administrative Expenses is presented only for purposes of additional analysis and has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and I am not aware of any material modifications that should be made thereto.


Joseph V. O'Brien, CPA

Clifton Park, New York
February 9, 2011

ROBERT H. FINKE & SONS, INC.

BALANCE SHEETS

DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,735,504	\$ 1,351,022
Accounts Receivable, Net	4,022,428	3,066,949
Inventories	1,929,960	3,205,116
Prepaid Taxes	255,389	165,338
Bid Deposits	<u>6,152</u>	<u>-</u>
Total Current Assets	<u>7,949,433</u>	<u>7,788,425</u>
RENTAL FLEET		
Machinery and Equipment	33,176,969	32,983,327
Less: Accumulated Depreciation	<u>(22,430,588)</u>	<u>(21,664,963)</u>
Net Rental Fleet	<u>10,746,381</u>	<u>11,318,364</u>
PROPERTY AND EQUIPMENT		
Property and Equipment	2,814,134	2,669,192
Less: Accumulated Depreciation	<u>(1,922,912)</u>	<u>(2,202,105)</u>
Net Property and Equipment	<u>891,222</u>	<u>467,087</u>
OTHER ASSETS		
Cash Surrender Value, Officer Life Insurance	<u>92,026</u>	<u>99,189</u>
Total Other Assets	<u>92,026</u>	<u>99,189</u>
	<u>\$ 19,679,062</u>	<u>\$ 19,673,065</u>

See Accompanying Notes and Independent Accountant's Review Report.

ROBERT H. FINKE & SONS, INC.
 BALANCE SHEETS (CONTINUED)
 DECEMBER 31, 2010 AND 2009

LIABILITIES AND STOCKHOLDERS' EQUITY

	<u>2010</u>	<u>2009</u>
CURRENT LIABILITIES		
Lines of Credit - Machinery and Equipment Floor Plan	\$ 8,236,533	\$ 9,771,441
Current Portion of Long-term Debt	818,036	913,643
Accounts Payable - Trade	791,854	618,524
Sales Tax Payable	<u>5,682</u>	<u>9,039</u>
Total Current Liabilities	<u>9,852,105</u>	<u>11,312,647</u>
LONG-TERM LIABILITIES		
Long-term Debt, Net of Current Portion	1,610,768	1,297,817
Deferred Income Taxes	<u>516,261</u>	<u>403,445</u>
Total Long-term Liabilities	<u>2,127,029</u>	<u>1,701,262</u>
Total Liabilities	<u>11,979,134</u>	<u>13,013,909</u>
STOCKHOLDERS' EQUITY		
Common Stock		
Class A, Voting, Par Value, 25,000 Shares Authorized 120 Shares Issued and Outstanding	21,762	21,762
Class B, Nonvoting, Par Value, 25,000 Shares Authorized, 600 Shares Issued and Outstanding		
Additional Paid-In-Capital	134,285	134,285
Retained Earnings	<u>7,543,881</u>	<u>6,503,109</u>
Total Stockholders' Equity	<u>7,699,928</u>	<u>6,659,156</u>
	<u>\$ 19,679,062</u>	<u>\$ 19,673,065</u>

See Accompanying Notes and Independent Accountant's Review Report.

ROBERT H. FINKE & SONS, INC.
 STATEMENTS OF INCOME AND RETAINED EARNINGS
 FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
SALES AND SERVICES	\$ 15,445,554	\$ 15,663,727
COST OF SALES	<u>8,189,397</u>	<u>8,545,685</u>
GROSS PROFIT	7,256,157	7,118,042
GENERAL & ADMINISTRATIVE EXPENSES	<u>5,636,875</u>	<u>5,570,858</u>
INCOME FROM OPERATIONS BEFORE OTHER INCOME (EXPENSE)	<u>1,619,282</u>	<u>1,547,184</u>
OTHER INCOME (EXPENSE)		
Gain on Disposal of Fixed Assets	22,370	29,600
Miscellaneous Income	51,338	17,703
Interest Expense	<u>(504,720)</u>	<u>(523,609)</u>
Total Other Income (Expense)	<u>(431,012)</u>	<u>(476,306)</u>
NET INCOME BEFORE PROVISION FOR TAXES	<u>1,188,270</u>	<u>1,070,878</u>
PROVISION FOR INCOME TAXES		
State Franchise Tax	34,682	86,442
Deferred Taxes	<u>112,816</u>	<u>89,061</u>
Total Income Taxes	<u>147,498</u>	<u>175,503</u>
NET INCOME	1,040,772	895,375
RETAINED EARNINGS, AT BEGINNING OF YEAR	6,503,109	5,607,734
RETAINED EARNINGS, AT END OF YEAR	<u>\$ 7,543,881</u>	<u>\$ 6,503,109</u>

See Accompanying Notes and Independent Accountant's Review Report.

ROBERT H. FINKE & SONS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Company was incorporated in New York State on December 18, 1980 and operates principally in sales, rental and service of heavy construction machinery and equipment.

Method of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting whereby revenue is recognized when earned and expenses are recognized when incurred.

Use of Estimates

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

Cash Equivalents

For the purposes of reporting of cash flows, the Company considers cash in operating bank accounts, demand deposits, cash on hand, and highly liquid debt instruments purchased with a maturity of three months or less as cash and cash equivalents.

Concentration of Credit Risk

The Company operates and grants credit to customers in the normal course of business. Financial instruments that potentially subject the Company to credit risk include accounts receivable. Accounts receivable derived from sales are not collateralized. The Company maintains cash balances in financial institution in excess of the Federal Deposit Insurance Corporation (FDIC) \$250,000 insured limits.

Accounts Receivable

The Company uses the allowance method for financial statement purposes and the direct write-off method for income tax reporting. At December 31, 2010 and 2009 no accounts were deemed uncollectible.

Inventory

Inventory of parts and machinery and equipment is valued at the lower of stated costs (which approximates average costs) or market.

Reclassifications

Certain reclassifications were made to the 2009 financial statements presentation in order to conform to the 2010 financial statements presentation.

ROBERT H. FINKE & SONS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2010 AND 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and Equipment are recorded at cost and are being depreciated over their class lives using the straight-line method and a percentage of rents method for financial statement reporting and Accelerated Cost Recovery System (ACRS) and Modified Accelerated Cost Recovery System (MACRS) for income tax reporting purposes. The class lives of assets range from 3 – 40 Years. When assets are retired, or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts, and any resulting gain or loss is reflected in income for the period. Expenses for repairs and maintenance are charged to operations, while additions and substantial improvements are capitalized and depreciated. Depreciation expense of the property and equipment is charged to operations.

Depreciation deducted on the Company's rental fleet, which is a component of cost of sales for financial statement reporting amounted to \$3,718,448 and \$4,212,007, for the years ended December 31, 2010 and 2009, respectively. Depreciation deducted on the Company's property and equipment, which is reported as an operating expense amounted to \$220,671 and \$258,585, for the years ended December 31, 2010 and 2009, respectively.

Income Taxes

The provision for income taxes represents income taxes paid or payable for the current year plus the change in deferred taxes during the year. Deferred income taxes have been determined using the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement carrying amounts and tax bases of assets and liabilities using enacted tax rates in effect for the years in which the differences are expected to reverse. This method also allows for the recognition of deferred tax assets in the current period for the future benefit of net operating loss carryforwards and items for which expenses have been recognized for financial statement purposes, but will be deductible in future periods for income tax purposes. The temporary differences in these financial statements relate primarily to depreciation expense between book and tax income and net operating loss carryforwards. A valuation allowance is provided for deferred tax assets if it is uncertain as to the future realization of these benefits.

NOTE 2 – INVENTORY

The components of inventory at December 31, 2010 and 2009 are as follows:

	2010	2009
Parts	\$ 992,318	\$ 1,262,549
Machinery and Equipment	937,642	1,942,567
Total Inventory	<u>\$ 1,929,960</u>	<u>\$ 3,205,116</u>

ROBERT H. FINKE & SONS, INC.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2010 AND 2009

NOTE 3 – RENTAL FLEET

The rental fleet represents machinery and equipment rented to customers. The rental fleet is stated on the balance sheet at costs. Expenses for repairs and maintenance are charged to operations, while additions and substantial improvements are capitalized and depreciated. Depreciation expense of the rental fleet is charged to costs of sales. The costs and related accumulated depreciation of items sold, retired or disposed are removed from the balance sheet and the gross sales less book value is recognized in sales and services on the statement of income. The rental fleet is summarized as follows:

	2010	2009
Machinery and Equipment	\$ 33,176,969	\$ 32,983,327
Less: Accumulated Depreciation	(22,430,588)	(21,664,963)
Net Rental Fleet	<u>\$ 10,746,381</u>	<u>\$ 11,318,364</u>

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

	2010	2009
Leasehold Improvements	\$ 226,040	\$ 226,040
Vehicles, Trailers and Equipment	2,588,094	2,443,152
Total Property and Equipment	2,814,134	2,669,192
Less: Accumulated Depreciation	(1,922,912)	(2,202,105)
Net Property and Equipment	<u>\$ 891,222</u>	<u>\$ 467,087</u>

NOTE 5 – LINES OF CREDIT – MACHINERY AND EQUIPMENT FLOOR PLAN

The floor plan lines are payable to various financial institutions and bear interest at effective rates that vary depending on manufacturers and lender programs. The lines of credit are secured by each unit and as of December 31, 2010 and 2009 the outstanding balances were \$8,236,533 and \$9,771,441, respectively. The loan agreements require repayment of the related debts upon sale of each unit.

NOTE 6 – LONG-TERM DEBT

Long-term Debt consists of the following:

	2010	2009
Vehicle and Trailer Notes Payable	\$ 720,410	\$ 176,917
Equipment Notes Payable	1,708,394	2,034,543
Total Long-term Debt	2,428,804	2,211,460
Less: Current Portion	(818,036)	(913,643)
Total Long-term Debt, Net of Current Portion	<u>\$ 1,610,768</u>	<u>\$ 1,297,817</u>

The notes payable are due in varying amounts and are secured by the related assets. Annual interest rates vary up to 9.00%.

ROBERT H. FINKE & SONS, INC.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2010 AND 2009

NOTE 6 – LONG-TERM DEBT (CONTINUED)

Long-term Debt matures as follows at December 31, 2010:

2011	\$ 818,036
2012	617,692
2013	503,359
2014	350,252
2015	139,465
Total Long-term Debt	<u>\$ 2,428,804</u>

NOTE 7 – STOCKHOLDERS' EQUITY

There are two classes of stock as follows:

Class A, Preferred shares, Voting stock with a par value of \$0.05 per share, 25,000 shares authorized, 120 shares issued and outstanding.

Class B, Nonvoting stock with a par value of \$0.05 per share, 25,000 shares authorized, 600 issued and outstanding.

NOTE 8 – PROVISION FOR INCOME TAXES

The provision for income tax expense (benefit) has been computed at the statutory rates applicable during the years. The components of taxes on income at December 31, 2010 and 2009 consisted of the following:

	<u>2010</u>	<u>2009</u>
Current		
Federal	\$ -	\$ -
State	34,682	86,442
Total Current	<u>\$ 34,682</u>	<u>\$ 86,442</u>
Deferred Taxes	112,816	89,061
Total Provision for Taxes	<u>\$ 147,498</u>	<u>\$ 175,503</u>

ROBERT H. FINKE & SONS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2010 AND 2009

NOTE 9 - RELATED PARTIES

Common Ownership

The Company is related to another dealership, Bobcat of Saratoga, LLC through common ownership and management. During 2010 and 2009 related party transaction were as follows:

	<u>2010</u>	<u>2009</u>
Sales	\$ 567,837	\$ 566,342
Purchases	\$ 448,298	\$ 402,063
Accounts Receivable	\$ 440,472	\$ 522,337
Accounts Payable	\$ 14,000	\$ 26,635

Rent Expense

The Corporation rents its operating and warehouse facility from Finke Enterprises, a related LLC. Annual rent expense for years ended December 31, 2010 and 2009 amounted to \$168,000 and \$168,000, respectively.

NOTE 10 – RETIREMENT PLAN

The Company has an established profit sharing plan, which covers substantially all non-union employees. Contributions are voluntary and are made on the Board of Directors discretion. Profit sharing expenses for the years ended December 31, 2010 and 2009 was \$41,683 and \$44,869, respectively.

NOTE 11 – ADVERTISING

Advertising costs are expensed as incurred. Advertising expense was \$23,720 and \$17,810 for the years ended December 31, 2010 and 2009, respectively.

Supplemental Information

ROBERT H. FINKE & SONS, INC.
SCHEDULES OF GENERAL & ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
GENERAL & ADMINISTRATIVE EXPENSES		
Advertising	\$ 23,720	\$ 17,810
Depreciation	220,671	258,585
Equipment Rental	210,593	171,519
Equipment Fuel	49,806	44,936
Freight	177,290	126,137
Insurance - General	602,404	481,747
Insurance - Health	154,992	150,112
Maintenance & Repairs - Machinery & Equipment	716,150	654,172
Maintenance & Repairs - Building & Property	24,217	28,881
Office & Computer Expense	114,466	92,110
Salaries - Officers'	415,480	442,000
Salaries	1,617,982	1,792,599
Payroll Taxes	156,100	168,801
Pension	41,683	44,869
Professional Fees	108,865	100,587
Rent	168,000	168,000
Sales Promotions	112,315	131,125
Shop Tools and Supplies	59,599	68,177
Telephone	41,063	41,948
Travel	26,342	23,652
Tolls & Permits	89,488	73,746
Truck Fuel	292,307	271,674
Truck Maintenance	103,701	138,124
Truck Rental	17,866	13,420
Truck Use Tax, Fees & Registrations	53,976	33,933
Utilities	37,799	32,194
Total General & Administrative Expenses	<u>\$ 5,636,875</u>	<u>\$ 5,570,858</u>

ROBERT H. FINKE & SONS, INC.

FINANCIAL STATEMENTS
AND
ACCOUNTANT'S REVIEW REPORT
DECEMBER 31, 2009 AND 2008

ROBERT H. FINKE & SONS, INC.
FINANCIAL STATEMENTS
AND
ACCOUNTANT'S REVIEW REPORT
DECEMBER 31, 2009 AND 2008

CONTENTS

	<u>Page</u>
Accountant's Review Report	1
Financial Statements	
Balance Sheets	2-3
Statements of Income and Retained Earnings	4
Notes to Financial Statements	5-9
Supplemental Information	
Schedules of General and Administrative Expenses	10

Joseph V. O'Brien

Certified Public Accountant

15 Greenridge Drive

Clifton Park, New York 12065-6628

Phone / Fax 518-383-9110

Accountant's Review Report

To the Board of Directors
Robert H. Finke & Sons, Inc.
Selkirk, New York

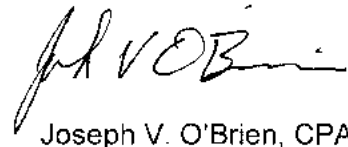
I have reviewed the accompanying balance sheets of Robert H. Finke & Sons, Inc. (a Corporation) as of December 31, 2009 and 2008, and the related statements of income and retained earnings for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Robert H. Finke & Sons, Inc.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, with the exception of the matter described in the following paragraph, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

A statement of cash flows for the years ended December 31, 2009 and 2008 has not been presented. Generally accepted accounting principles require that such a statement be presented when financial statements purport to present financial position and results of operations.

My review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with generally accepted accounting principles. The information included in the accompanying Schedules of General and Administrative Expenses is presented only for supplementary analysis purposes. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and I am not aware of any material modifications that should be made thereto.



Joseph V. O'Brien, CPA

Clifton Park, New York
February 11, 2010

ROBERT H. FINKE & SONS, INC.

BALANCE SHEETS

DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,351,022	\$ 2,040,696
Accounts Receivable, Net	3,066,949	1,953,730
Inventories	3,205,116	2,690,840
Prepaid Taxes	<u>165,338</u>	<u>50,222</u>
Total Current Assets	<u>7,788,425</u>	<u>6,735,488</u>
RENTAL FLEET		
Machinery and Equipment	32,983,327	29,663,209
Less: Accumulated Depreciation	<u>(21,664,963)</u>	<u>(19,118,591)</u>
Net Rental Fleet	<u>11,318,364</u>	<u>10,544,618</u>
PROPERTY AND EQUIPMENT		
Property and Equipment	2,669,192	2,753,530
Less: Accumulated Depreciation	<u>(2,202,105)</u>	<u>(2,027,857)</u>
Net Property and Equipment	<u>467,087</u>	<u>725,673</u>
OTHER ASSETS		
Cash Surrender Value, Officer Life Insurance	<u>99,189</u>	<u>102,218</u>
Total Other Assets	<u>99,189</u>	<u>102,218</u>
	<u>\$ 19,673,065</u>	<u>\$ 18,107,997</u>

See accompanying notes and Accountant's Review Report.

ROBERT H. FINKE & SONS, INC.
 BALANCE SHEETS (CONTINUED)
 DECEMBER 31, 2009 AND 2008

LIABILITIES AND STOCKHOLDERS' EQUITY

	<u>2009</u>	<u>2008</u>
CURRENT LIABILITIES		
Current Portion of Long-term Debt	\$ 913,643	\$ 1,077,829
Accounts Payable - Trade	618,524	767,719
Accounts Payable - Machinery	9,771,441	9,153,532
Sales Tax Payable	<u>9,039</u>	<u>2,306</u>
Total Current Liabilities	<u>11,312,647</u>	<u>11,001,386</u>
LONG-TERM LIABILITIES		
Long-term Debt, Net of Current Portion	1,297,817	1,028,446
Deferred Income Taxes	<u>403,445</u>	<u>314,384</u>
Total Long-term Liabilities	<u>1,701,262</u>	<u>1,342,830</u>
Total Liabilities	<u>13,013,909</u>	<u>12,344,216</u>
STOCKHOLDERS' EQUITY		
Common Stock		
Class A, Voting, Par Value, 25,000 Shares Authorized		
120 Shares Issued and Outstanding	21,762	21,762
Class B, Nonvoting, Par Value, 25,000 Shares		
Authorized, 600 Shares Issued and Outstanding		
Additional Paid-In-Capital	134,285	134,285
Retained Earnings	<u>6,503,109</u>	<u>5,607,734</u>
Total Stockholders' Equity	<u>6,659,156</u>	<u>5,763,781</u>
	<u>\$ 19,673,065</u>	<u>\$ 18,107,997</u>

See accompanying notes and Accountant's Review Report.

ROBERT H. FINKE & SONS, INC.
STATEMENTS OF INCOME AND RETAINED EARNINGS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
SALES AND SERVICES	\$ 15,663,727	\$ 18,185,347
COST OF SALES	<u>8,545,685</u>	<u>9,872,429</u>
GROSS PROFIT	7,118,042	8,312,918
GENERAL & ADMINISTRATIVE EXPENSES	<u>5,570,858</u>	<u>6,007,918</u>
INCOME FROM OPERATIONS BEFORE OTHER INCOME (EXPENSE)	<u>1,547,184</u>	<u>2,305,000</u>
OTHER INCOME (EXPENSE)		
Gain on Disposal of Fixed Assets	29,600	14,202
Miscellaneous Income	17,703	75,833
Interest Expense	<u>(523,609)</u>	<u>(673,821)</u>
Total Other Income (Expense)	<u>(476,306)</u>	<u>(583,786)</u>
NET INCOME BEFORE PROVISION FOR TAXES	<u>1,070,878</u>	<u>1,721,214</u>
PROVISION FOR INCOME TAXES		
Federal Income Tax	-	112,225
State Franchise Tax	86,442	144,759
Deferred Taxes	<u>89,061</u>	<u>270,327</u>
Total Income Taxes	<u>175,503</u>	<u>527,311</u>
NET INCOME	895,375	1,193,903
RETAINED EARNINGS, AT BEGINNING OF YEAR	5,607,734	4,413,831
RETAINED EARNINGS, AT END OF YEAR	<u>\$ 6,503,109</u>	<u>\$ 5,607,734</u>

See accompanying notes and Accountant's Review Report.

ROBERT H. FINKE & SONS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Company was incorporated in New York State on December 18, 1980 and operates principally in sales, rental and service of heavy construction machinery and equipment.

Method of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting whereby revenue is recognized when earned and expenses are recognized when incurred.

Use of Estimates

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

Cash Equivalents

For the purposes of reporting of cash flows, the Company considers cash in operating bank accounts, demand deposits, cash on hand, and highly liquid debt instruments purchased with a maturity of three months or less as cash and cash equivalents.

Concentration of Credit Risk

The Company operates and grants credit to customers in the normal course of business. Financial instruments that potentially subject the Company to credit risk include accounts receivable. Accounts receivable derived from sales are not collateralized. The Company maintains cash balances in financial institution in excess of the Federal Deposit Insurance Corporation (FDIC) \$250,000 insured limits.

Accounts Receivable

The Company uses the allowance method for financial statement purposes and the direct write-off method for income tax reporting. At December 31, 2009 and 2008 no accounts were deemed uncollectible.

Inventory

Inventory of parts and machinery and equipment is valued at the lower of stated costs (which approximates average costs) or market.

Reclassifications

Certain reclassifications were made to the 2008 financial statements presentation in order to conform to the 2009 financial statements presentation.

ROBERT H. FINKE & SONS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009 AND 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and Equipment are recorded at cost and are being depreciated over their class lives using the straight-line method and a percentage of rents method for financial statement reporting and Accelerated Cost Recovery System (ACRS) and Modified Accelerated Cost Recovery System (MACRS) for income tax reporting purposes. The class lives of assets range from 3 – 40 Years. When assets are retired, or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts, and any resulting gain or loss is reflected in income for the period. Expenses for repairs and maintenance are charged to operations, while additions and substantial improvements are capitalized and depreciated. Depreciation expense of the property and equipment is charged to operations.

Depreciation deducted on the Company's rental fleet, which is a component of cost of sales for financial statement reporting amounted to \$4,212,007 and \$4,856,143, for the years ended December 31, 2009 and 2008, respectively. Depreciation deducted on the Company's property and equipment, which is reported as an operating expense amounted to \$258,585 and \$264,304, for the years ended December 31, 2009 and 2008, respectively.

Income Taxes

The provision for income taxes represents income taxes paid or payable for the current year plus the change in deferred taxes during the year. Deferred income taxes have been determined using the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement carrying amounts and tax bases of assets and liabilities using enacted tax rates in effect for the years in which the differences are expected to reverse. This method also allows for the recognition of deferred tax assets in the current period for the future benefit of net operating loss carryforwards and items for which expenses have been recognized for financial statement purposes, but will be deductible in future periods for income tax purposes. The temporary differences in these financial statements relate primarily to depreciation expense between book and tax income and net operating loss carryforwards. A valuation allowance is provided for deferred tax assets if it is uncertain as to the future realization of these benefits.

NOTE 2 – INVENTORY

The components of inventory at December 31, 2009 and 2008 are as follows:

	2009	2008
Parts	\$ 1,262,549	\$ 1,371,339
Machinery and Equipment	1,942,567	1,319,501
Total Inventory	<u>\$ 3,205,116</u>	<u>\$ 2,690,840</u>

ROBERT H. FINKE & SONS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009 AND 2008

NOTE 3 – RENTAL FLEET

The rental fleet represents machinery and equipment rented to customers. The rental fleet is stated on the balance sheet at costs. Expenses for repairs and maintenance are charged to operations, while additions and substantial improvements are capitalized and depreciated. Depreciation expense of the rental fleet is charged to costs of sales. The costs and related accumulated depreciation of items sold, retired or disposed are removed from the balance sheet and the gross sales less book value is recognized in sales and services on the statement of income. The rental fleet is summarized as follows:

	2009	2008
Machinery and Equipment	\$ 32,983,327	\$ 29,663,209
Less: Accumulated Depreciation	(21,664,963)	(19,118,591)
Net Rental Fleet	<u>\$ 11,318,364</u>	<u>\$ 10,544,618</u>

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

	2009	2008
Leasehold Improvements	\$ 226,040	\$ 226,040
Vehicles, Trailers and Equipment	2,443,152	2,527,490
Total Property and Equipment	2,669,192	2,753,530
Less: Accumulated Depreciation	(2,202,105)	(2,027,857)
Net Property and Equipment	<u>\$ 467,087</u>	<u>\$ 725,673</u>

NOTE 5 – LONG-TERM DEBT

Long-term Debt consists of the following:

	2009	2008
Vehicle and Trailer Notes Payable	\$ 176,917	\$ 432,235
Equipment Notes Payable	2,034,543	1,674,040
Total Long-term Debt	2,211,460	2,106,275
Less: Current Portion	(913,643)	(1,077,829)
Total Long-term Debt, Net of Current Portion	<u>\$ 1,297,817</u>	<u>\$ 1,028,446</u>

The vehicle notes payable are due in varying amounts and are secured by the related assets. Annual interest rates vary up to 8.25%.

The equipment notes payable are due in varying amounts and are secured by the related assets. Annual interest rates vary up to 9.00%.

ROBERT H. FINKE & SONS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009 AND 2008

NOTE 5 – LONG-TERM DEBT (CONTINUED)

Long-term Debt matures as follows at December 31, 2009:

2010	\$ 913,643
2011	565,554
2012	384,023
2013	253,605
2014	94,635
Total Long-term Debt	<u>\$ 2,211,460</u>

NOTE 6 – STOCKHOLDERS EQUITY

There are two classes of stock as follows:

Class A, Preferred shares, Voting stock with a par value of \$0.05 per share, 25,000 shares authorized, 120 shares issued and outstanding.

Class B, Nonvoting stock with a par value of \$0.05 per share, 25,000 shares authorized, 600 issued and outstanding.

NOTE 7 – PROVISION FOR INCOME TAXES

The provision for income tax expense (benefit) has been computed at the statutory rates applicable during the years. The components of taxes on income at December 31, 2009 and 2008 consisted of the following:

	<u>2009</u>	<u>2008</u>
Current		
Federal	\$ -	\$ 112,225
State	86,442	144,759
Total Current	<u>\$ 86,442</u>	<u>\$ 256,984</u>
Deferred Taxes	89,061	270,327
Total Provision for Taxes	<u>\$ 175,503</u>	<u>\$ 527,311</u>

ROBERT H. FINKE & SONS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009 AND 2008

NOTE 8 - RELATED PARTIES

Common Ownership

The Company is related to another dealership, Bobcat of Saratoga, LLC through common ownership and management. During 2009 and 2008 related party transaction were as follows:

	2009	2008
Sales	\$ 566,342	\$ 975,118
Purchases	\$ 402,063	\$ 322,744
Accounts Receivable	\$ 522,337	\$ 222,259
Accounts Payable	\$ 26,635	\$ 104,716

Rent Expense

The Corporation rents its operating and warehouse facility from Finke Enterprises, a related LLC. Annual rent expense for years ended December 31, 2009 and 2008 amounted to \$168,000 and \$168,000, respectively.

NOTE 9 – RETIREMENT PLAN

The Company has an established profit sharing plan, which covers substantially all non-union employees. Contributions are voluntary and are made on the Board of Directors discretion. Profit sharing expenses for the years ended December 31, 2009 and 2008 was \$44,869 and \$43,634, respectively.

NOTE 10 – ADVERTISING

Advertising costs are expensed as incurred. Advertising expense was \$17,810 and \$34,476 for the years ended December 31, 2009 and 2008, respectively.

Supplemental Information

ROBERT H. FINKE & SONS, INC.
SCHEDULES OF GENERAL & ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
GENERAL & ADMINISTRATIVE EXPENSES		
Advertising	\$ 17,810	\$ 34,476
Depreciation	258,585	264,304
Equipment Rental	171,519	169,098
Equipment Fuel	44,936	63,632
Freight	126,137	152,728
Insurance - General	481,747	773,284
Insurance - Health	150,112	138,572
Maintenance & Repairs - Machinery & Equipment	654,172	554,234
Maintenance & Repairs - Building & Property	28,881	29,369
Miscellaneous	-	5,804
Office & Computer Expense	92,110	80,884
Salaries - Officers'	442,000	422,000
Salaries	1,792,599	1,839,789
Payroll Taxes	168,801	174,372
Pension	44,869	43,634
Professional Fees	100,587	51,578
Rent	168,000	168,000
Sales Promotions	131,125	128,144
Shop Tools and Supplies	68,177	77,269
Telephone	41,948	39,956
Travel	23,652	41,843
Tolls & Permits	73,746	83,089
Truck Fuel	271,674	418,411
Truck Maintenance	138,124	156,976
Truck Rental	13,420	15,828
Truck Use Tax, Fees & Registrations	33,933	42,663
Utilities	32,194	37,981
Total General & Administrative Expenses	<u>\$ 5,570,858</u>	<u>\$ 6,007,918</u>

See Accountant's Review Report.

ROBERT H. FINKE & SONS, INC.

FINANCIAL STATEMENTS
AND
ACCOUNTANT'S REVIEW REPORT
DECEMBER 31, 2008 AND 2007

ROBERT H. FINKE & SONS, INC.
FINANCIAL STATEMENTS
AND
ACCOUNTANT'S REVIEW REPORT
DECEMBER 31, 2008 AND 2007

CONTENTS

	<u>Page</u>
Accountant's Review Report	1
Financial Statements	
Balance Sheets	2-3
Statements of Income and Retained Earnings	4
Notes to Financial Statements	5-9
Supplemental Information	
Schedules of General and Administrative Expenses	10

Joseph V. O'Brien

Certified Public Accountant
15 Greenridge Drive
Clifton Park, New York 12065-6628
Phone / Fax 518-383-9110

Accountant's Review Report

To the Board of Directors
Robert H. Finke & Sons, Inc.
Selkirk, New York

I have reviewed the accompanying balance sheets of Robert H. Finke & Sons, Inc. (a C-corporation) as of December 31, 2008 and 2007, and the related statements of income and retained earnings for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Robert H. Finke & Sons, Inc.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, with the exception of the matter described in the following paragraph, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

A statement of cash flows for the years ended December 31, 2008 and 2007 has not been presented. Generally accepted accounting principles require that such a statement be presented when financial statements purport to present financial position and results of operations.

My review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with generally accepted accounting principles. The information included in the accompanying Schedules of General and Administrative Expenses is presented only for supplementary analysis purposes. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and I am not aware of any material modifications that should be made thereto.


Joseph V. O'Brien, CPA

Clifton Park, New York
March 8, 2009

ROBERT H. FINKE & SONS, INC.
 BALANCE SHEETS
 DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 2,040,696	\$ 1,514,695
Accounts Receivable, Net	1,953,730	1,774,181
Inventories	2,690,840	2,238,372
Prepaid Taxes	50,222	-
Bid Deposits	<u>-</u>	<u>1,602</u>
Total Current Assets	<u>6,735,488</u>	<u>5,528,850</u>
RENTAL FLEET		
Machinery and Equipment	29,663,209	30,670,696
Less: Accumulated Depreciation	<u>(19,118,591)</u>	<u>(17,429,498)</u>
Net Rental Fleet	<u>10,544,618</u>	<u>13,241,198</u>
PROPERTY AND EQUIPMENT		
Property and Equipment	2,753,530	2,758,990
Less: Accumulated Depreciation	<u>(2,027,857)</u>	<u>(1,800,291)</u>
Net Property and Equipment	<u>725,673</u>	<u>958,699</u>
OTHER ASSETS		
Cash Surrender Value, Officer Life Insurance	<u>102,218</u>	<u>104,820</u>
Total Other Assets	<u>102,218</u>	<u>104,820</u>
	<u>\$ 18,107,997</u>	<u>\$ 19,833,567</u>

See accompanying notes and Accountant's Review Report.

ROBERT H. FINKE & SONS, INC.
 BALANCE SHEETS (CONTINUED)
 DECEMBER 31, 2008 AND 2007

LIABILITIES AND STOCKHOLDERS' EQUITY

	<u>2008</u>	<u>2007</u>
CURRENT LIABILITIES		
Current Portion of Long-term Debt	\$ 1,077,829	\$ 1,346,140
Accounts Payable - Trade	767,719	685,911
Accounts Payable - Machinery	9,153,532	11,241,755
Income Taxes Payable	-	92,172
Sales Tax Payable	2,306	6,749
	<u>11,001,386</u>	<u>13,372,727</u>
LONG-TERM LIABILITIES		
Long-term Debt, Net of Current Portion	1,028,446	1,846,905
Deferred Income Taxes	314,384	44,057
	<u>1,342,830</u>	<u>1,890,962</u>
Total Long-term Liabilities	<u>1,342,830</u>	<u>1,890,962</u>
Total Liabilities	<u>12,344,216</u>	<u>15,263,689</u>
STOCKHOLDERS' EQUITY		
Common Stock		
Class A, Voting, Par Value, 25,000 Shares Authorized		
120 Shares Issued and Outstanding	21,762	21,762
Class B, Nonvoting, Par Value, 25,000 Shares		
Authorized, 600 Shares Issued and Outstanding		
Additional Paid-In-Capital	134,285	134,285
Retained Earnings	5,607,734	4,413,831
	<u>5,763,781</u>	<u>4,569,878</u>
Total Stockholders' Equity	<u>5,763,781</u>	<u>4,569,878</u>
	<u>\$ 18,107,997</u>	<u>\$ 19,833,567</u>

See accompanying notes and Accountant's Review Report.

ROBERT H. FINKE & SONS, INC.
 STATEMENTS OF INCOME AND RETAINED EARNINGS
 FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
SALES AND SERVICES	\$18,185,347	\$18,527,781
COST OF SALES	<u>9,872,429</u>	<u>10,489,142</u>
GROSS PROFIT	8,312,918	8,038,639
GENERAL & ADMINISTRATIVE EXPENSES	<u>6,007,918</u>	<u>6,144,226</u>
INCOME FROM OPERATIONS BEFORE OTHER INCOME (EXPENSE)	<u>2,305,000</u>	<u>1,894,413</u>
OTHER INCOME (EXPENSE)		
Gain on Disposal of Fixed Assets	14,202	86,607
Miscellaneous Income	75,833	94,469
Interest Expense	<u>(673,821)</u>	<u>(1,096,384)</u>
Total Other Income (Expense)	<u>(583,786)</u>	<u>(915,308)</u>
NET INCOME BEFORE PROVISION FOR TAXES	<u>1,721,214</u>	<u>979,105</u>
PROVISION FOR INCOME TAXES		
Federal Income Tax	112,225	311,347
State Franchise Tax	144,759	50,985
Deferred Taxes (Benefit)	<u>270,327</u>	<u>11,640</u>
Total Income Taxes (Benefit)	<u>527,311</u>	<u>373,972</u>
NET INCOME	1,193,903	605,133
RETAINED EARNINGS, AT BEGINNING OF YEAR	4,413,831	3,808,698
RETAINED EARNINGS, AT END OF YEAR	<u>\$ 5,607,734</u>	<u>\$ 4,413,831</u>

See accompanying notes and Accountant's Review Report.

ROBERT H. FINKE & SONS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Company was incorporated in New York State on December 18, 1980 and operates principally in sales, rental and service of heavy construction machinery and equipment.

Method of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting whereby revenue is recognized when earned and expenses are recognized when incurred.

Use of Estimates

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

Cash Equivalents

For the purposes of reporting of cash flows, the Company considers cash in operating bank accounts, demand deposits, cash on hand, and highly liquid debt instruments purchased with a maturity of three months or less as cash and cash equivalents.

Concentration of Credit Risk

The Company operates and grants credit to customers in the normal course of business. Financial instruments that potentially subject the Company to credit risk include accounts receivable. Accounts receivable derived from sales are not collateralized. The Company maintains cash balances in financial institution in excess of the Federal Deposit Insurance Corporation (FDIC) \$250,000 insured limits.

Accounts Receivable

The Company uses the allowance method for financial statement purposes and the direct write-off method for income tax reporting. At December 31, 2008 and 2007 no accounts were deemed uncollectible.

Inventory

Inventory of parts and machinery and equipment is valued at the lower of stated costs (which approximates average costs) or market.

Reclassifications

Certain reclassifications were made to the 2007 financial statements presentation in order to conform to the 2008 financial statements presentation.

ROBERT H. FINKE & SONS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2008 AND 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and Equipment are recorded at cost and are being depreciated over their class lives using the straight-line method and a percentage of rents method for financial statement reporting and Accelerated Cost Recovery System (ACRS) and Modified Accelerated Cost Recovery System (MACRS) for income tax reporting purposes. The class lives of assets range from 3 – 40 Years. When assets are retired, or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts, and any resulting gain or loss is reflected in income for the period. Expenses for repairs and maintenance are charged to operations, while additions and substantial improvements are capitalized and depreciated. Depreciation expense of the property and equipment is charged to operations.

Depreciation deducted on the Company's rental fleet, which is a component of cost of sales for financial statement reporting amounted to \$4,856,143 and \$4,925,569, for the years ended December 31, 2008 and 2007, respectively. Depreciation deducted on the Company's property and equipment, which is reported as an operating expense amounted to \$264,304 and \$239,945, for the years ended December 31, 2008 and 2007, respectively.

Income Taxes

The provision for income taxes represents income taxes paid or payable for the current year plus the change in deferred taxes during the year. Deferred income taxes have been determined using the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement carrying amounts and tax bases of assets and liabilities using enacted tax rates in effect for the years in which the differences are expected to reverse. This method also allows for the recognition of deferred tax assets in the current period for the future benefit of net operating loss carryforwards and items for which expenses have been recognized for financial statement purposes, but will be deductible in future periods for income tax purposes. The temporary differences in these financial statements relate primarily to depreciation expense between book and tax income and net operating loss carryforwards. A valuation allowance is provided for deferred tax assets if it is uncertain as to the future realization of these benefits.

NOTE 2 – INVENTORY

The components of inventory at December 31, 2008 and 2007 are as follows:

	2008	2007
Parts	\$ 1,371,339	\$ 1,131,249
Machinery and Equipment	1,319,501	1,107,123
Total Inventory	<u>\$ 2,690,840</u>	<u>\$ 2,238,372</u>

ROBERT H. FINKE & SONS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2008 AND 2007

NOTE 3 – RENTAL FLEET

The rental fleet represents machinery and equipment rented to customers. The rental fleet is stated on the balance sheet at costs. Expenses for repairs and maintenance are charged to operations, while additions and substantial improvements are capitalized and depreciated. Depreciation expense of the rental fleet is charged to costs of sales. The costs and related accumulated depreciation of items sold, retired or disposed are removed from the balance sheet and the gross sales less book value is recognized in the statement of income. The rental fleet is summarized as follows:

	<u>2008</u>	<u>2007</u>
Machinery and Equipment	\$ 29,663,209	\$ 30,670,696
Less: Accumulated Depreciation	<u>(19,118,591)</u>	<u>(17,429,498)</u>
Net Rental Fleet	<u>\$ 10,544,618</u>	<u>\$ 13,241,198</u>

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

	<u>2008</u>	<u>2007</u>
Leasehold Improvements	\$ 226,040	\$ 226,040
Vehicles, Trailers and Equipment	<u>2,527,490</u>	<u>2,532,950</u>
Total Property and Equipment	2,753,530	2,758,990
Less: Accumulated Depreciation	<u>(2,027,857)</u>	<u>(1,800,291)</u>
Net Property and Equipment	<u>\$ 725,673</u>	<u>\$ 958,699</u>

NOTE 5 – LONG-TERM DEBT

Long-term Debt consists of the following:

	<u>2008</u>	<u>2007</u>
Vehicle and Trailer Notes Payable	\$ 432,235	\$ 689,228
Equipment Notes Payable	<u>1,674,040</u>	<u>2,503,817</u>
Total Long-term Debt	2,106,275	3,193,045
Less: Current Portion	<u>(1,077,829)</u>	<u>(1,346,140)</u>
Total Long-term Debt, Net of Current Portion	<u>\$ 1,028,446</u>	<u>\$ 1,846,905</u>

The vehicle notes payable are due in varying amounts and are secured by the related assets. Annual interest rates vary up to 8.25%.

The equipment notes payable are due in varying amounts and are secured by the related assets. Annual interest rates vary up to 9.00%.

ROBERT H. FINKE & SONS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2008 AND 2007

NOTE 5 – LONG-TERM DEBT (CONTINUED)

Long-term Debt matures as follows at December 31, 2008:

2009	\$ 1,077,829
2010	702,937
2011	191,211
2012	89,990
2013	44,308
Total Long-term Debt	<u>\$ 2,106,275</u>

NOTE 6 – STOCKHOLDERS EQUITY

There are two classes of stock as follows:

Class A Preferred shares, Voting stock with a par value of \$0.05 per share, 25,000 shares authorized, 120 shares issued and outstanding.

Class B, Nonvoting stock with a par value of \$0.05 per share, 25,000 shares authorized, 600 issued and outstanding.

NOTE 7 – PROVISION FOR INCOME TAXES

The provision for income tax expense (benefit) has been computed at the statutory rates applicable during the years. The components of taxes on income at December 31, 2008 and 2007 consisted of the following:

	<u>2008</u>	<u>2007</u>
Current		
Federal	\$ 112,225	\$ 311,347
State	144,759	52,507
Tax Refunds	-	(1,522)
Total Current (Benefit)	<u>\$ 256,984</u>	<u>\$ 362,332</u>
Deferred Taxes (Benefit)	270,327	11,640
Total Provision for Taxes	<u>\$ 527,311</u>	<u>\$ 373,972</u>

ROBERT H. FINKE & SONS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2008 AND 2007

NOTE 8 - RELATED PARTIES

Common Ownership

The Company is related to another dealership, Bobcat of Saratoga, LLC through common ownership and management. During 2008 and 2007 related party transaction were as follows:

	<u>2008</u>	<u>2007</u>
Sales	\$ 975,118	\$ 365,011
Purchases	\$ 322,744	\$ 310,004
Accounts Receivable	\$ 222,259	\$ 39,623
Accounts Payable	\$ 104,716	\$ 4,165

Rent Expense

The Corporation rents its operating and warehouse facility from Finke Enterprises, a related LLC. Annual rent expense for years ended December 31, 2008 and 2007 amounted to \$168,000 and \$168,000, respectively.

NOTE 9 – RETIREMENT PLAN

The Company has an established profit sharing plan, which covers substantially all non-union employees. Contributions are voluntary and are made on the Board of Directors discretion. Profit sharing expenses for the years ended December 31, 2008 and 2007 was \$43,634 and \$46,927, respectively.

NOTE 10 – ADVERTISING

Advertising costs are expensed as incurred. Advertising expense was \$34,476 and \$59,084 for the years ended December 31, 2008 and 2007, respectively.

Supplemental Information

ROBERT H. FINKE & SONS, INC.
SCHEDULES OF GENERAL & ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
GENERAL & ADMINISTRATIVE EXPENSES		
Advertising	\$ 34,476	\$ 59,084
Depreciation	264,304	239,945
Equipment Rental	169,098	211,042
Equipment Fuel	63,632	68,352
Freight	152,728	145,729
Insurance - General	773,284	893,483
Insurance - Health	138,572	131,521
Maintenance & Repairs - Machinery & Equipment	554,234	417,755
Maintenance & Repairs - Building & Property	29,369	31,179
Miscellaneous	5,804	266
Office & Computer Expense	80,884	86,546
Salaries - Officers'	422,000	524,000
Salaries	1,839,789	1,979,811
Payroll Taxes	174,372	184,676
Pension	43,634	46,927
Professional Fees	51,578	51,269
Rent	168,000	168,000
Sales Promotions	128,144	123,140
Shop Tools and Supplies	77,269	88,629
Telephone	39,956	45,173
Travel	41,843	29,178
Tolls & Permits	83,089	58,474
Truck Fuel	418,411	319,088
Truck Maintenance	156,976	142,156
Truck Rental	15,828	2,655
Truck Use Tax, Fees & Registrations	42,663	55,573
Utilities	37,981	40,575
Total General & Administrative Expenses	<u>\$ 6,007,918</u>	<u>\$ 6,144,226</u>



PHN: (518) 767-9331
FAX: (518) 767-2446

ROBERT H. FINKE AND SONS, INC.
CONTRACTORS EQUIPMENT

Route 9-W • P.O. Box 127
Selkirk, NY 12158

October 24, 2012

RE: Robert H. Finke & Sons, Inc. Business Plan & Expansion

Dear IDA Board,

Enclosed is an overview of our business goals and future plans at Robert H. Finke & Sons, Inc. We are glad to share these exciting times with you and look forward to partnering with the IDA, the community, our customers, our employees, and our professional team to make this happen.

Our company has reached a point where we need to change our level of operation and service capabilities into a completely brand new facility. We would like to begin the project immediately as we have completed the approval process and submitted our plans with the Town of Bethlehem, NY planning board. The board was very receptive to such a sizeable project at the greeting corridor at the southern-most portion of Route 9W in the town.

The main goal for Robert H. Finke & Sons, Inc. is to take our company to the next plateau of professionalism and service, and expand our business operations. Our mission statement is to take "our company to the next level." At the present time we cannot increase our service and sales capabilities at our present facility, as there is no room for more employees. We have earned a loyal customer base that is asking us to enhance the service we provide to assist their needs. Our goal is retention of these valued customers. In a nut shell, we are turning away a lot of work.

Once the site and facility is complete, we will be able to ramp up our service capabilities. Our goal is to be able to capture some of the more skilled tradesmen, as well as train new people from an entry level, such as high school graduates, into our company. On this note, the new facility will encompass an amphitheater style learning center which can host up to 48 students, employees, and our customers for training. This training center will be used for four purposes:

- 1.) In house training for our employees to improve their capabilities as technicians.
- 2.) Sales training for our customers who have purchased machinery from us or who are contemplating a future purchase. This would include operation and service techniques.
- 3.) Regional service schools with our manufacturing partners enabling them to bring customers and fellow dealers to the learning center for training at a more cost effective approach.
- 4.) Design a training curriculum where local companies can sponsor a student or employee to enhance their skills. Our goal being to provide an opportunity for someone who may not be able to afford college, yet has the desire and skill sets needed in our industry.

Visit Us at our website www.finkeequipment.com

The manufacturers we represent have offered a tremendous amount of support to us as this approach has never been taken. Our customers are excited as our industry is hurting for skilled technicians and mechanics. We are excited as we recognize it as a cure to a very big problem. We need good help to provide a good product.

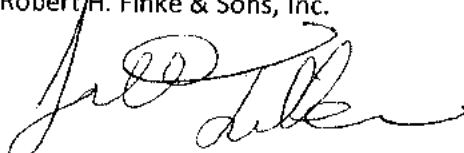
The facility will be approximately 56,000 square feet allowing us to increase our equipment sales, parts sales, and service sales with room for future expansion. We expect immediate growth in all areas along with the ability to plant the seeds for the future. It will also give us the room to seek out the additional employees we expect to need, and to provide them with a state of the art work environment.

We realize it is not the best economic conditions to embark on a large venture like this, but the timing is right for our company for many reasons. We have provided projections in our applications that we will accomplish and look forward to the opportunity to give the board a presentation on the unique features of our project. As well as how we intend to exercise success in the various profit centers, such as the parts department, sales department, service department and all departments that support them.

If you have any questions, please feel free to contact me at your earliest convenience. At your notice we will provide our presentation, as well as our design build staff and banking partners who will make this project a success.

Sincerely,

Robert H. Finke & Sons, Inc.

A handwritten signature in black ink, appearing to read "John R. Finke". The signature is fluid and cursive, with a large initial "J" and "R".

John R. Finke

President

ROBERT H. FINKE & SONS, INC.

STATEMENTS OF INCOME

Year Ended December 31, 2011 (Historical)
and
Years Ended December 31, 2012 through 2015 (Forecast)



Hedley & Co., PLLC

Certified Public Accountants

TAX PLANNING
TAX PREPARATION
WEALTH MANAGEMENT

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Kevin M. Hedley, MS, CPA
David Kobylar, CPA

To the Board of Directors
Robert H. Finke & Sons, Inc.
Selkirk, New York

Phone 518-348-2079
Fax 518-348-1264
1593 Route 9
Clifton Park, NY 12065
www.hedleycpa.com

We have compiled the accompanying historical statement of income of Robert H. Finke & Sons, Inc. for the year ended December 31, 2011. We have not audited or reviewed the accompanying historical financial statement and, accordingly, do not express an opinion or provide any assurance about whether the historical financial statement is in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the historical financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the historical financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of historical financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the historical financial statements.

We have also compiled the accompanying forecasted statements of income of Robert H. Finke & Sons, Inc. for the years ending December 31, 2012 through 2015, in accordance with attestation standards established by the American Institute of Certified Public Accountants.

A compilation of forecasted statements limited to presenting in the form of a forecast information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying forecasted statements or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Hedley & Co., PLLC

November 15, 2012



Member

American Institute of
Certified Public Accountants

New York State Society of
Certified Public Accountants

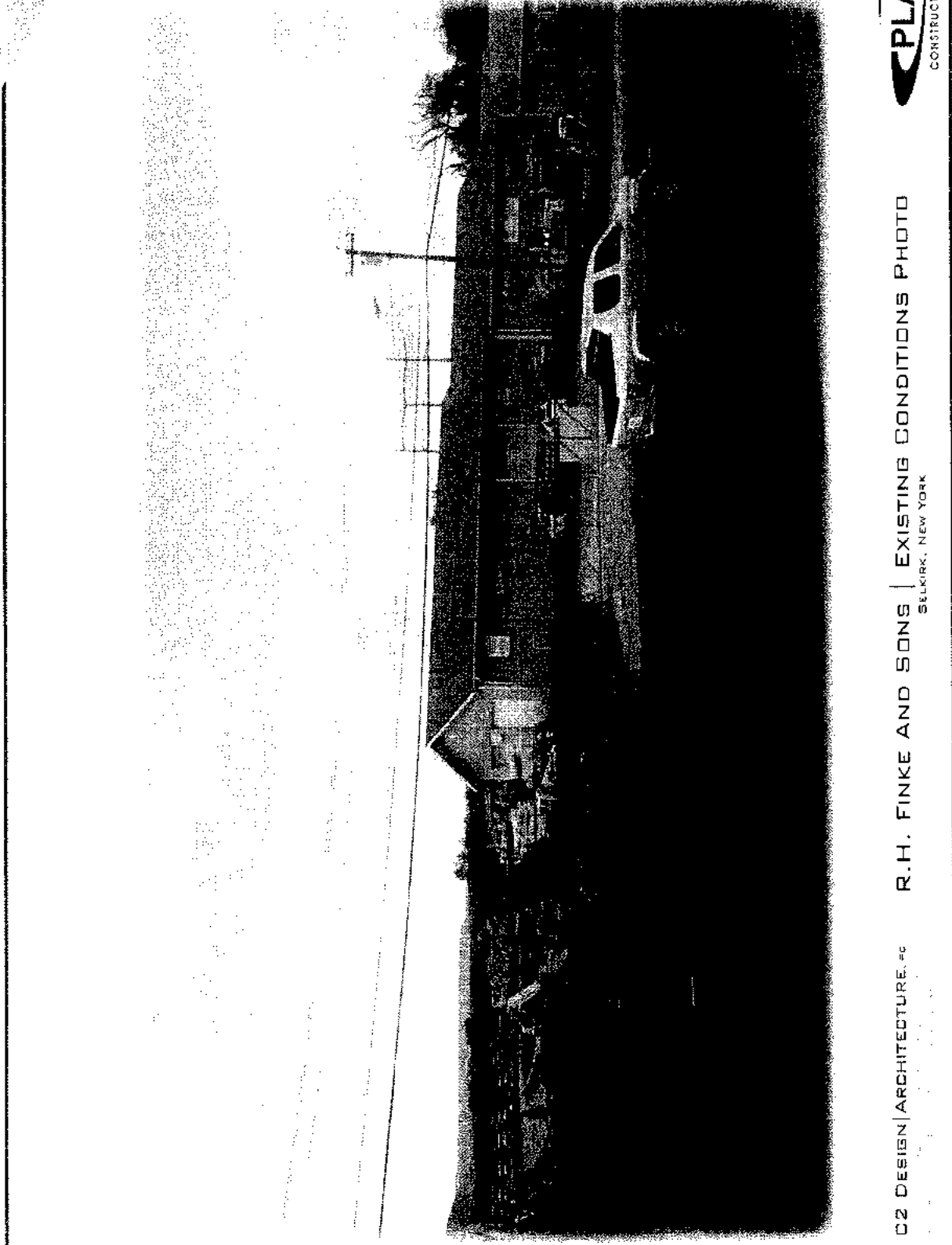
TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT ACCOUNTANTS' COMPILATION REPORT	1
FINANCIAL STATEMENTS	
Statements of Income	2

ROBERT H. FINKE & SONS, INC.
STATEMENTS OF INCOME

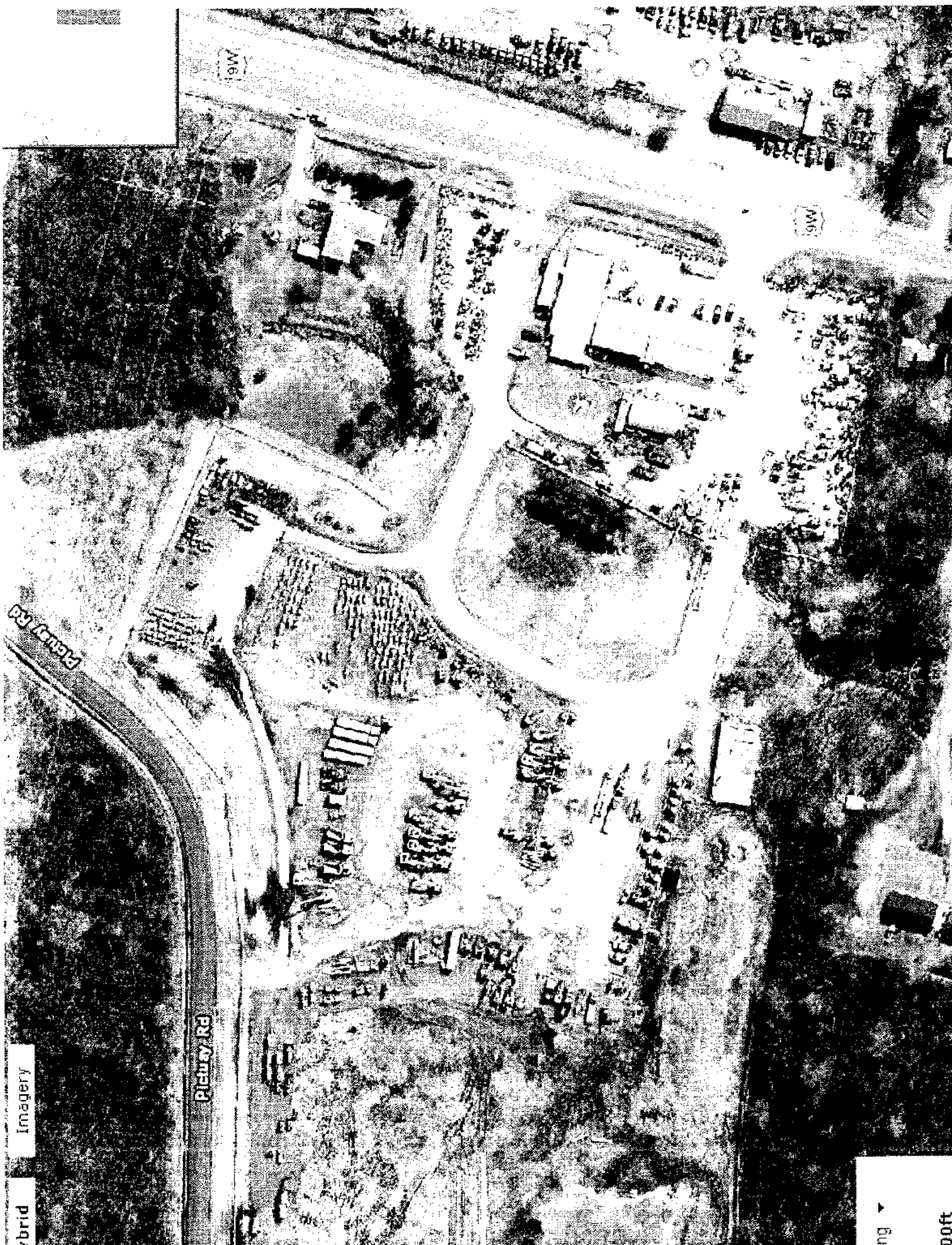
Year Ended December 31, 2011 (Historical) and Years Ending 2012, 2013, 2014 and 2015 (Forecast)

	Historical 12/31/2011	Forecast 12/31/2012	Forecast 12/31/2013	Forecast 12/31/2014	Forecast 12/31/2015
INCOME					
Sales and Services	\$ 17,471,798	\$ 19,219,000	\$ 19,795,600	\$ 20,785,400	\$ 21,409,000
COST OF SALES	9,085,853	9,994,400	10,294,200	10,808,900	11,133,200
Gross Profit	<u>8,385,945</u>	<u>9,224,600</u>	<u>9,501,400</u>	<u>9,976,500</u>	<u>10,275,800</u>
GENERAL & ADMINISTRATIVE EXPENSES					
Advertising	58,576	64,400	66,300	69,600	71,700
Depreciation	249,615	274,600	282,800	296,900	305,800
Equipment Rental	303,166	333,500	343,500	360,700	371,500
Equipment Fuel	99,285	109,200	112,500	118,100	121,600
Freight	175,067	192,600	198,400	208,300	214,500
Insurance - General	712,575	783,800	807,300	847,700	873,100
Insurance - Health	173,037	190,300	196,000	205,800	212,000
Maintenance & Repairs - Equipment	762,823	839,100	864,300	907,500	934,700
Maintenance & Repairs - Bldg & Property	25,973	28,600	29,500	31,000	31,900
Miscellaneous	552	600	600	600	600
Office & Computer Expense	113,920	125,300	129,100	135,600	139,700
Outside Labor	5,000	5,500	5,700	6,000	6,200
Salaries - Officers'	567,500	567,500	567,500	567,500	567,500
Salaries	1,798,296	1,978,100	2,037,400	2,139,300	2,203,500
Payroll Taxes	173,476	190,800	196,500	206,300	212,500
Pension	43,092	47,400	48,800	51,200	52,700
Professional Fees	113,518	124,900	128,600	135,000	139,100
Rent/Occupancy cost	204,000	224,400	519,900	519,900	519,900
Sales Promotions	125,057	137,600	141,700	148,800	153,300
Shop Tools and Supplies	100,858	110,900	114,200	119,900	123,500
Telephone	39,912	43,900	45,200	47,500	48,900
Travel	39,549	43,500	44,800	47,000	48,400
Tolls & Permits	101,109	111,200	114,500	120,200	123,800
Truck Fuel	410,997	452,100	465,700	489,000	503,700
Truck Maintenance	160,062	176,100	181,400	190,500	196,200
Truck Rental	24,252	26,700	27,500	28,900	29,800
Truck Use Tax, Fees & Registrations	37,668	41,400	42,600	44,700	46,000
Utilities	44,442	48,900	50,400	52,900	54,500
Total General & Administrative Expenses	<u>6,663,377</u>	<u>7,272,900</u>	<u>7,762,700</u>	<u>8,096,400</u>	<u>8,306,600</u>
INCOME FROM OPERATIONS BEFORE OTHER INCOME	<u>1,722,568</u>	<u>1,951,700</u>	<u>1,738,700</u>	<u>1,880,100</u>	<u>1,969,200</u>
OTHER INCOME (EXPENSE)					
Gain (Loss) on Disposal of Fixed Assets	(6,758)	-	-	-	-
Miscellaneous Income	23,782	26,200	27,000	28,400	29,300
Interest Expense	(467,081)	(513,800)	(529,200)	(555,700)	(572,400)
Total Other Income (Expense)	<u>(450,057)</u>	<u>(487,600)</u>	<u>(502,200)</u>	<u>(527,300)</u>	<u>(543,100)</u>
NET INCOME BEFORE PROVISION FOR TAXES	<u>\$ 1,272,511</u>	<u>\$ 1,464,100</u>	<u>\$ 1,236,500</u>	<u>\$ 1,352,800</u>	<u>\$ 1,426,100</u>



R.H. FINKE AND SONS | EXISTING CONDITIONS PHOTO
SELKIRK, NEW YORK

C2 DESIGN | ARCHITECTURE, P.C.



Hybrid Imagery

60ft

NO.	DATE	DESCRIPTION	BY	CHKD.
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				



PERMIT SET

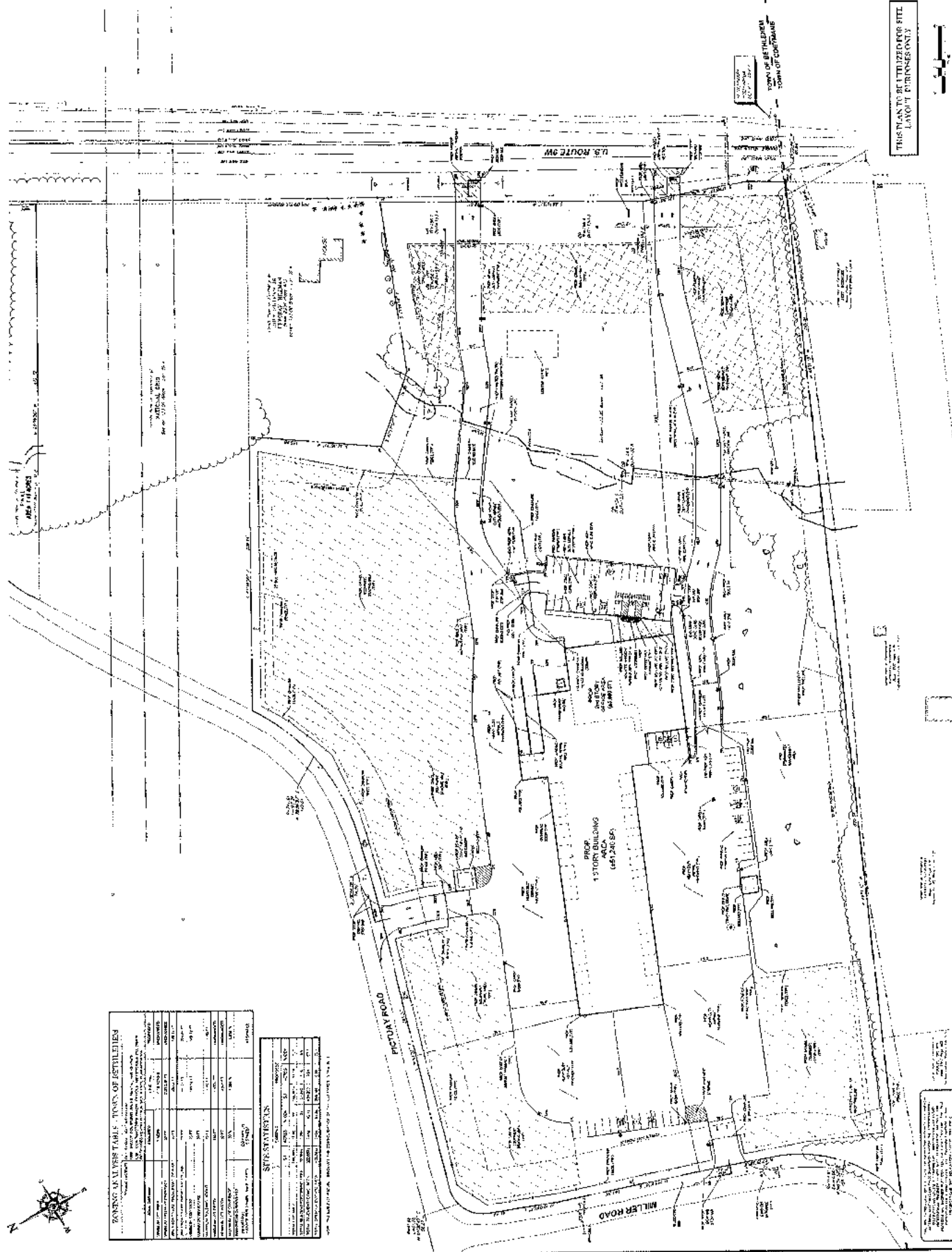
SITE PLAN DOCUMENTS FOR ROBERT H. FINN & SONS, INC.

BOHLER ENGINEERING

W.D. GOEBEL

SITE PLAN

C-4



LOADING ANALYSIS TABLE - TOWN OF ESTABLISHED

NO.	DATE	DESCRIPTION	BY	CHKD.
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				

SITE STATISTICS

NO.	DATE	DESCRIPTION	BY	CHKD.
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				

THIS PLAN TO BE UTILIZED FOR SITE LAYOUT PURPOSES ONLY



NOT TO SCALE

NO.	REVISIONS	DATE	BY	CHKD.
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				



PERMIT SET

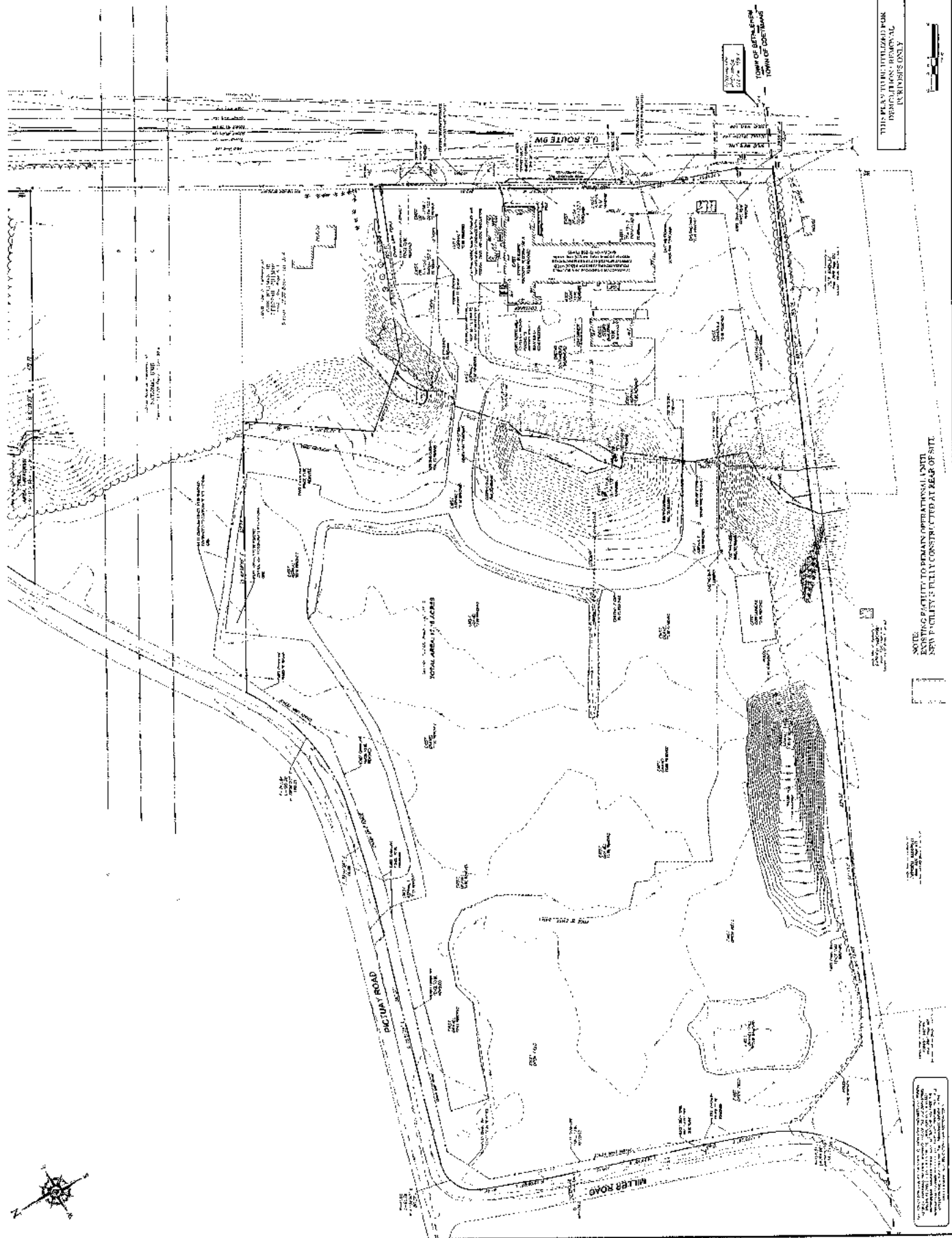
SITE PLAN DOCUMENTS
ROBERT H. FINKE & SONS, INC.

BOHLER ENGINEERING

W.D. GOEBEL

DEMOLITION PLAN

C-3



THIS PLAN IS TO BE UTILIZED FOR PERMITTING PURPOSES ONLY

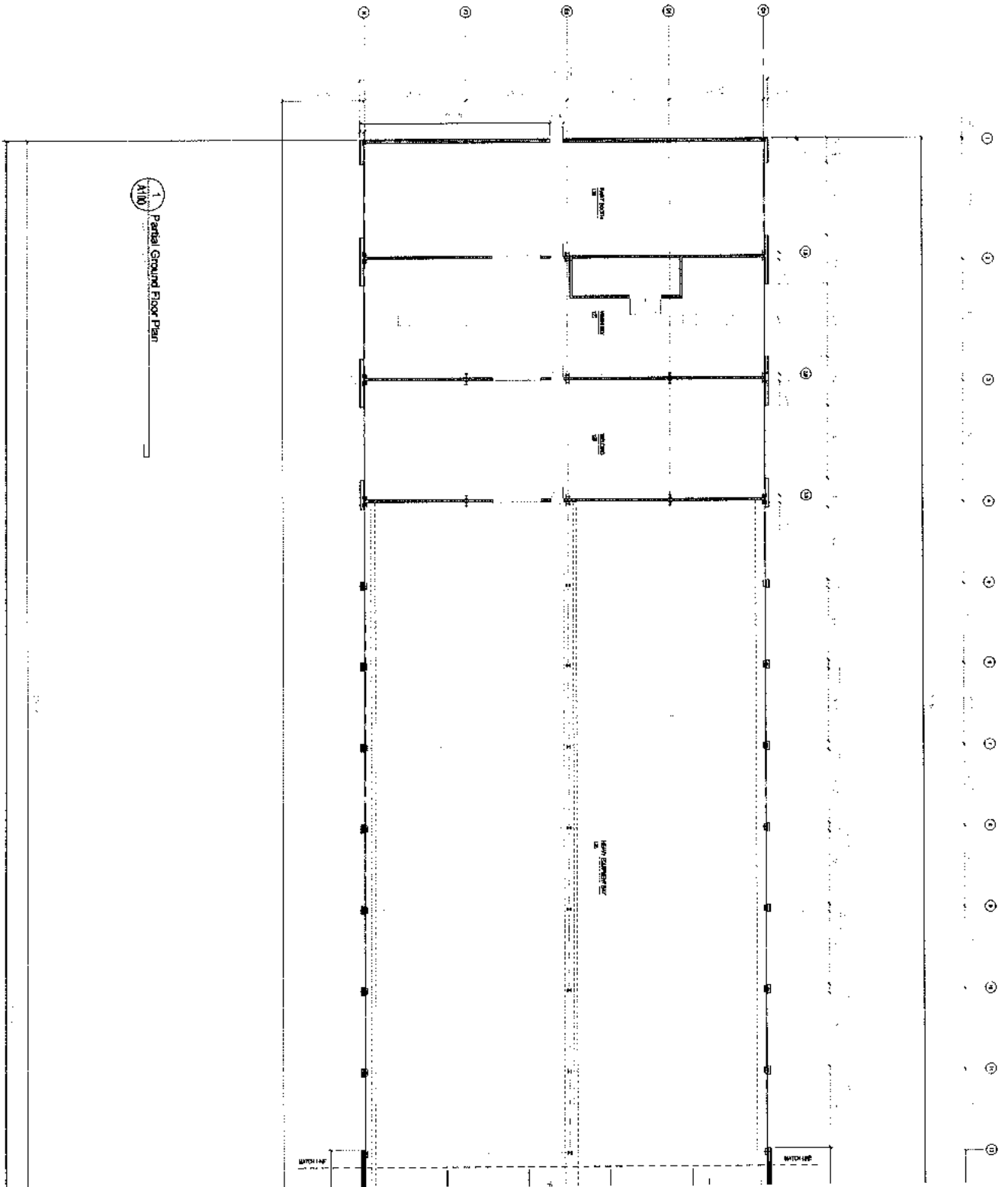
NOTE: EXISTING FACILITY TO REMAIN OPERATIONAL (WITH NEW FACILITY TO BE FULLY CONSTRUCTED AT REAR OF SITE)

LEGEND

NOTES

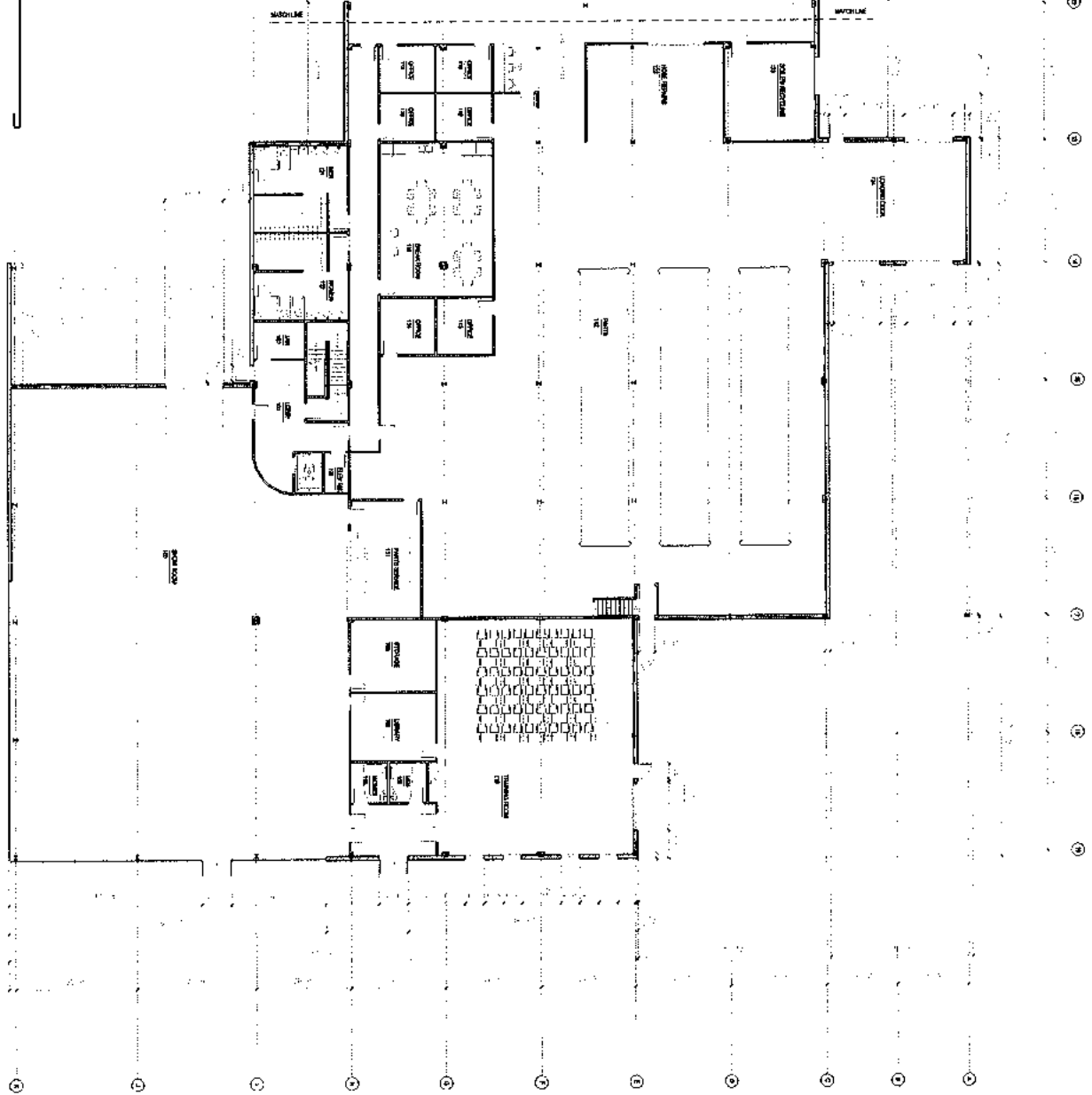
SCALE

COMPASS




1 A100 Partial Ground Floor Plan	Ground Floor Plan New Facility: R.H. Finke & Sons Equipment 1560 Route 9W Sloats, New York	NOT FOR CONSTRUCTION SUBMITTAL PRELIMINARY DATE:	C2 DESIGN ARCHITECTURE, P.C. 822 OLINTON STREET, MCKENNOTADY, NY 13860 PH: 518.880.1880 WWW.C2DESIGNARCHITECTURE.COM
	ARCHITECTURAL TITLE BLOCK INFORMATION		

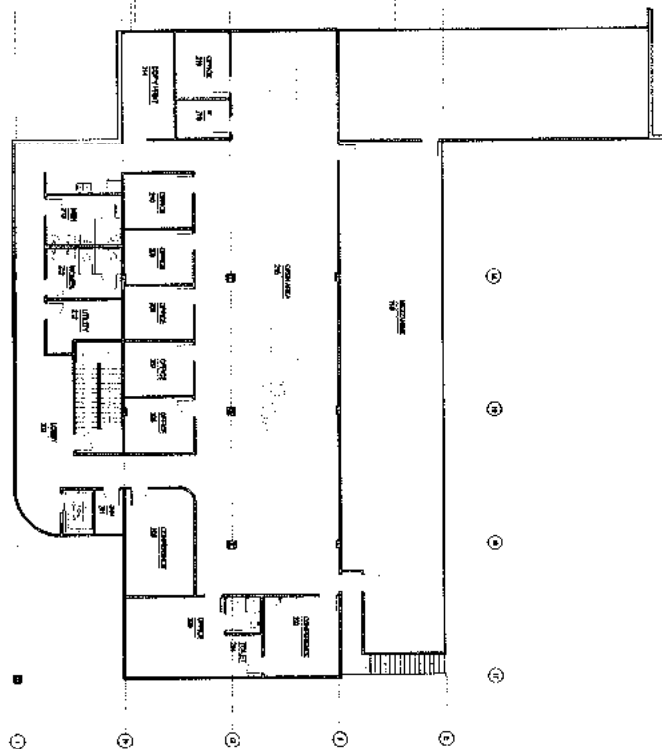
1
A101 Partial Ground Floor Plan



R:\JANUARY\2012\1\A101.PLOT

<p>A101</p>	<p>Ground Floor Plan</p> <p>New Facility:</p> <p>R.H. Finke & Sons Equipment</p> <p>1500 Route 9W BAWA, New York</p>	<p>NOT FOR CONSTRUCTION</p> <p>REVISION</p> <p>DATE</p>	 <p>C2 DESIGN ARCHITECTURE, P.C.</p> <p>823 CLINTON STREET, BOHNETADY, NY 12808 PH: 518.620.0860 WWW.C2DESIGNARCHITECTURE.COM</p>
--------------------	--	--	--

1 Second Floor Plan
A102



2014 11 10 10:00 AM 10/27/14 10:00 AM 10/27/14 10:00 AM

A102	DATE	10/27/14
	BY	...
	CHECKED	...
	APPROVED	...

PARTIAL Second Floor Plan PROJECT New Facility: R.H. Finke & Sons Equipment 1148 Route 9W SAFON, New York

NOT FOR CONSTRUCTION	
REVISION NO. 1 DATE 10/27/14	DATE 10/27/14

DRAWN BY DATE


C2 DESIGN
ARCHITECTURE PC
 243 BUNTON STREET, SCHENECTADY, NY 12308
 PH 518.385.8880 WWW.DROERIGHARCHITECTURE.COM

GENERAL NOTES

1. THE BOUNDARY AND TOPOGRAPHIC SURVEY WAS MADE ON THE DATE AND TIME STATED ON THE SURVEY MAP.

2. THE BOUNDARY AND TOPOGRAPHIC SURVEY WAS MADE BY THE SURVEYOR'S OWN FIELD AND INSTRUMENTS.

3. THE BOUNDARY AND TOPOGRAPHIC SURVEY WAS MADE BY THE SURVEYOR'S OWN FIELD AND INSTRUMENTS.

4. THE BOUNDARY AND TOPOGRAPHIC SURVEY WAS MADE BY THE SURVEYOR'S OWN FIELD AND INSTRUMENTS.

5. THE BOUNDARY AND TOPOGRAPHIC SURVEY WAS MADE BY THE SURVEYOR'S OWN FIELD AND INSTRUMENTS.

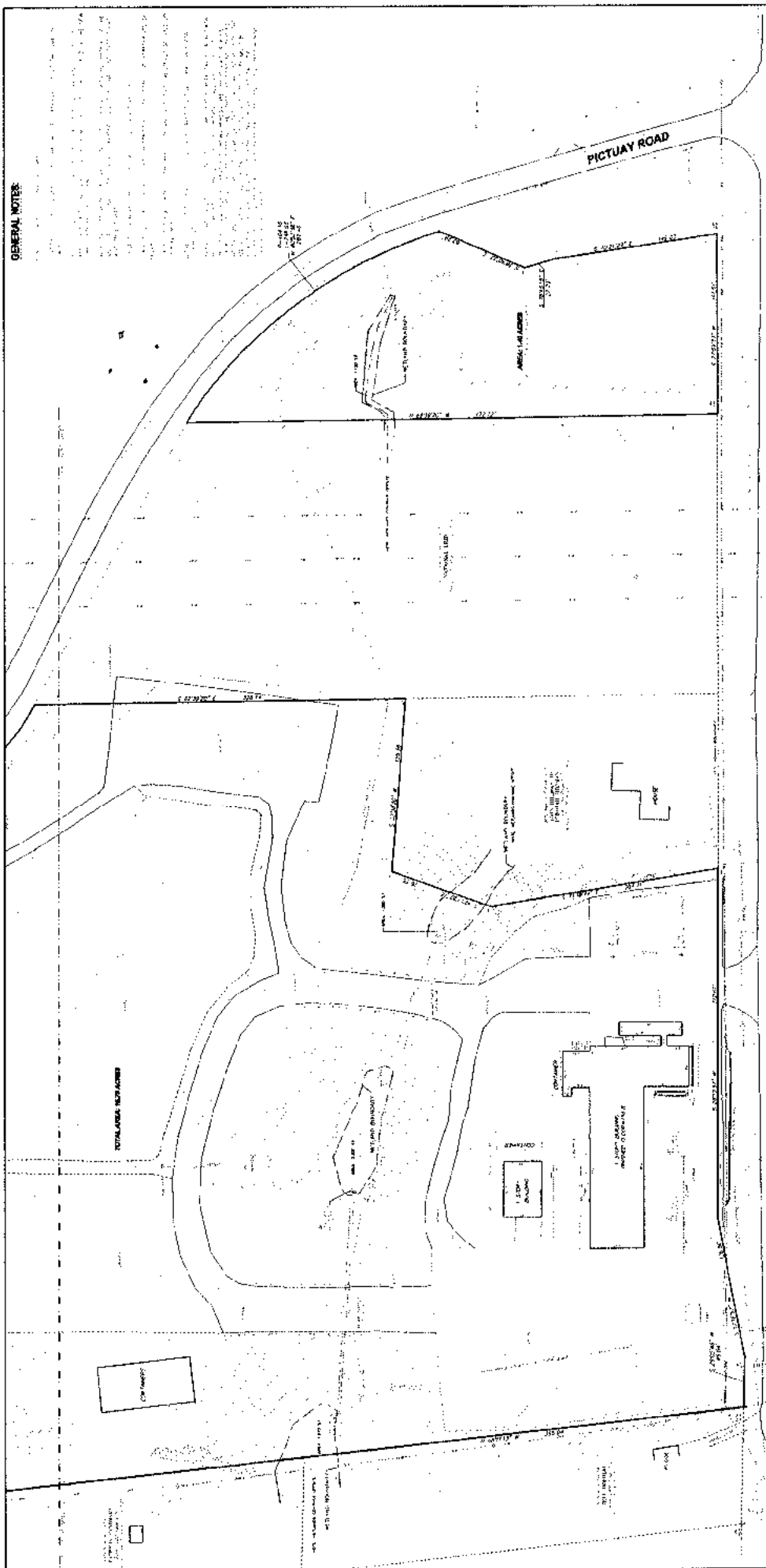
6. THE BOUNDARY AND TOPOGRAPHIC SURVEY WAS MADE BY THE SURVEYOR'S OWN FIELD AND INSTRUMENTS.

7. THE BOUNDARY AND TOPOGRAPHIC SURVEY WAS MADE BY THE SURVEYOR'S OWN FIELD AND INSTRUMENTS.

8. THE BOUNDARY AND TOPOGRAPHIC SURVEY WAS MADE BY THE SURVEYOR'S OWN FIELD AND INSTRUMENTS.

9. THE BOUNDARY AND TOPOGRAPHIC SURVEY WAS MADE BY THE SURVEYOR'S OWN FIELD AND INSTRUMENTS.

10. THE BOUNDARY AND TOPOGRAPHIC SURVEY WAS MADE BY THE SURVEYOR'S OWN FIELD AND INSTRUMENTS.



U.S. ROUTE 9W

U.S. ROUTE 9W



LEGEND:

--- BOUNDARY AND TOPOGRAPHIC SURVEY

--- EXISTING PROPERTY LINES

--- EXISTING BUILDINGS

--- EXISTING ROADS

--- EXISTING UTILITIES

--- EXISTING CONTOUR LINES

--- EXISTING SETBACK LINES

--- EXISTING EASEMENTS

--- EXISTING ENCROACHMENTS

--- EXISTING ENCLOSURES

--- EXISTING FENCES

--- EXISTING CURBS

--- EXISTING DRIVEWAYS

--- EXISTING PATIOS

--- EXISTING PATIO WALLS

--- EXISTING STAIRS

--- EXISTING TERRACES

--- EXISTING WALKWAYS

--- EXISTING DRIVEWAY WALLS

--- EXISTING DRIVEWAY CURBS

--- EXISTING DRIVEWAY FENCES

--- EXISTING DRIVEWAY ENCLOSURES

--- EXISTING DRIVEWAY PATIOS

--- EXISTING DRIVEWAY TERRACES

--- EXISTING DRIVEWAY WALKWAYS

--- EXISTING DRIVEWAY DRIVEWAY WALLS

--- EXISTING DRIVEWAY DRIVEWAY CURBS

--- EXISTING DRIVEWAY DRIVEWAY FENCES

--- EXISTING DRIVEWAY DRIVEWAY ENCLOSURES

--- EXISTING DRIVEWAY DRIVEWAY PATIOS

--- EXISTING DRIVEWAY DRIVEWAY TERRACES

--- EXISTING DRIVEWAY DRIVEWAY WALKWAYS

DEED REFERENCES:

MAP REFERENCES:

TAX PARCEL NUMBER:

TOWN OF BETHELEHEM
TOWN OF COEYMANS

SHEET 1 OF 2

**BOUNDARY & TOPOGRAPHIC SURVEY
OF THE LANDS OF
ROBERT H. FINKE, BETTY JEAN FINKE
& JOHN R. FINKE**

TRUSTEES	ROBERT H. FINKE	DATE OF SURVEY	JAN 14, 2014
MADE FOR	ANGEL LAKES	POLYMER NO. 13-00	
OWNERS			

ANGEL & WOODRUFF LAND SURVEYORS, L.L.P.
544 West Street, Saratoga, NY 12860
Phone: (518) 584-9955 Fax: (518) 771-1025
www.angelwood.com

GENERAL NOTES:

1. THIS SURVEY IS BASED UPON THE RECORDS OF THE SURVEYOR'S OFFICE AND THE FIELD NOTES OF THE SURVEYOR.

2. THE BOUNDARIES SHOWN ON THIS SURVEY ARE THE RESULT OF A CAREFUL REVISION OF THE RECORDS AND FIELD NOTES.

3. THE SURVEYOR HAS BEEN ADVISED THAT THERE ARE NO UNRECORDED EASEMENTS OR INTERESTS AFFECTING THE LANDS SHOWN ON THIS SURVEY.

4. THE SURVEYOR HAS BEEN ADVISED THAT THERE ARE NO UNRECORDED EASEMENTS OR INTERESTS AFFECTING THE LANDS SHOWN ON THIS SURVEY.

5. THE SURVEYOR HAS BEEN ADVISED THAT THERE ARE NO UNRECORDED EASEMENTS OR INTERESTS AFFECTING THE LANDS SHOWN ON THIS SURVEY.

MAP REFERENCES:

1. TOWN OF BETHLEHEM

2. TOWN OF COEYMANS

DEED REFERENCES:

1. DEED NO. 1000

2. DEED NO. 1001

3. DEED NO. 1002

TAX PARCEL NUMBERS:

1. 1000

2. 1001

3. 1002

LEGEND:

1. BOUNDARY

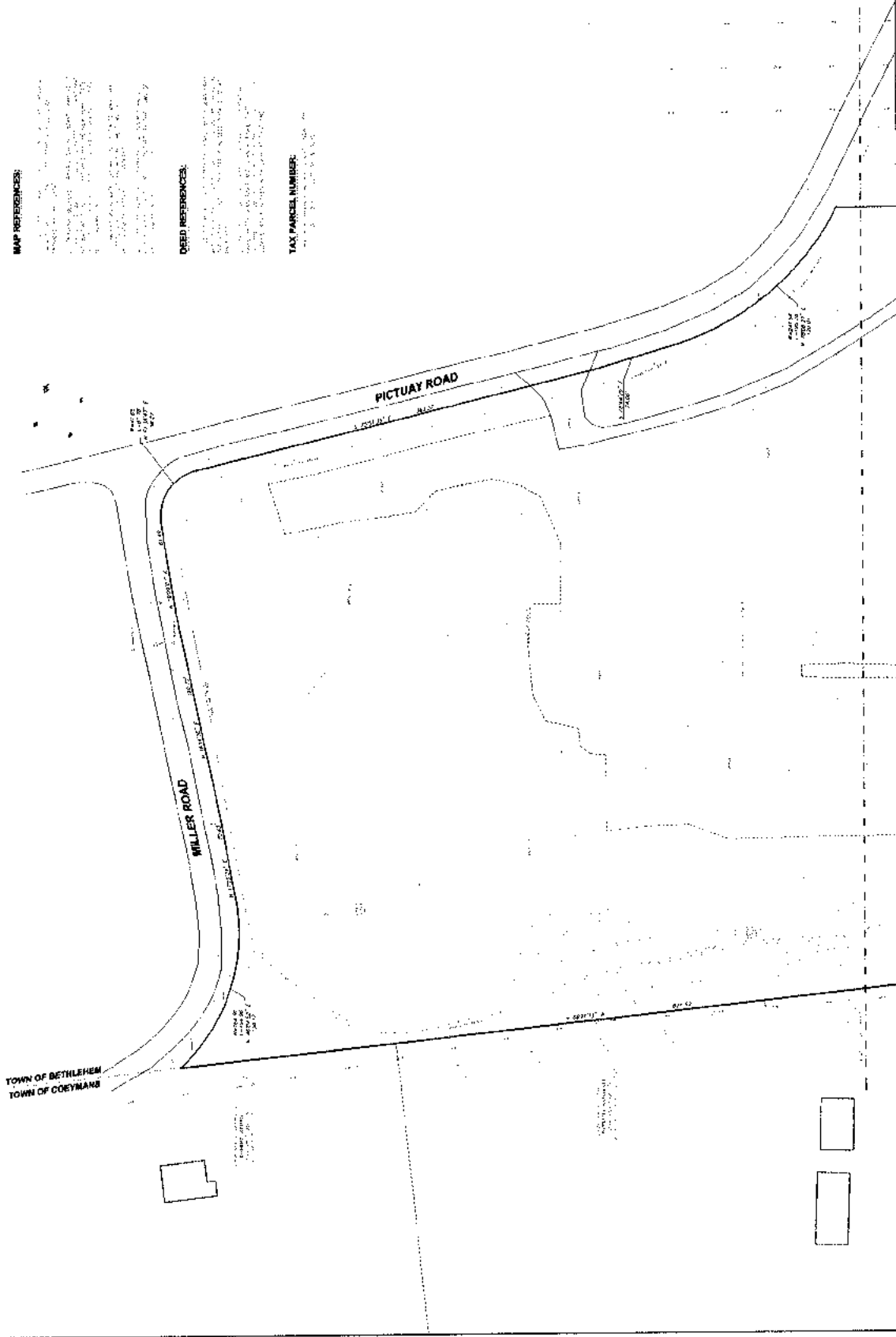
2. EASEMENT

3. UNRECORDED EASEMENT


4. UNRECORDED INTEREST

5. UNRECORDED EASEMENT

6. UNRECORDED INTEREST



SHEET 2 OF 2

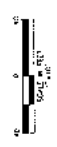


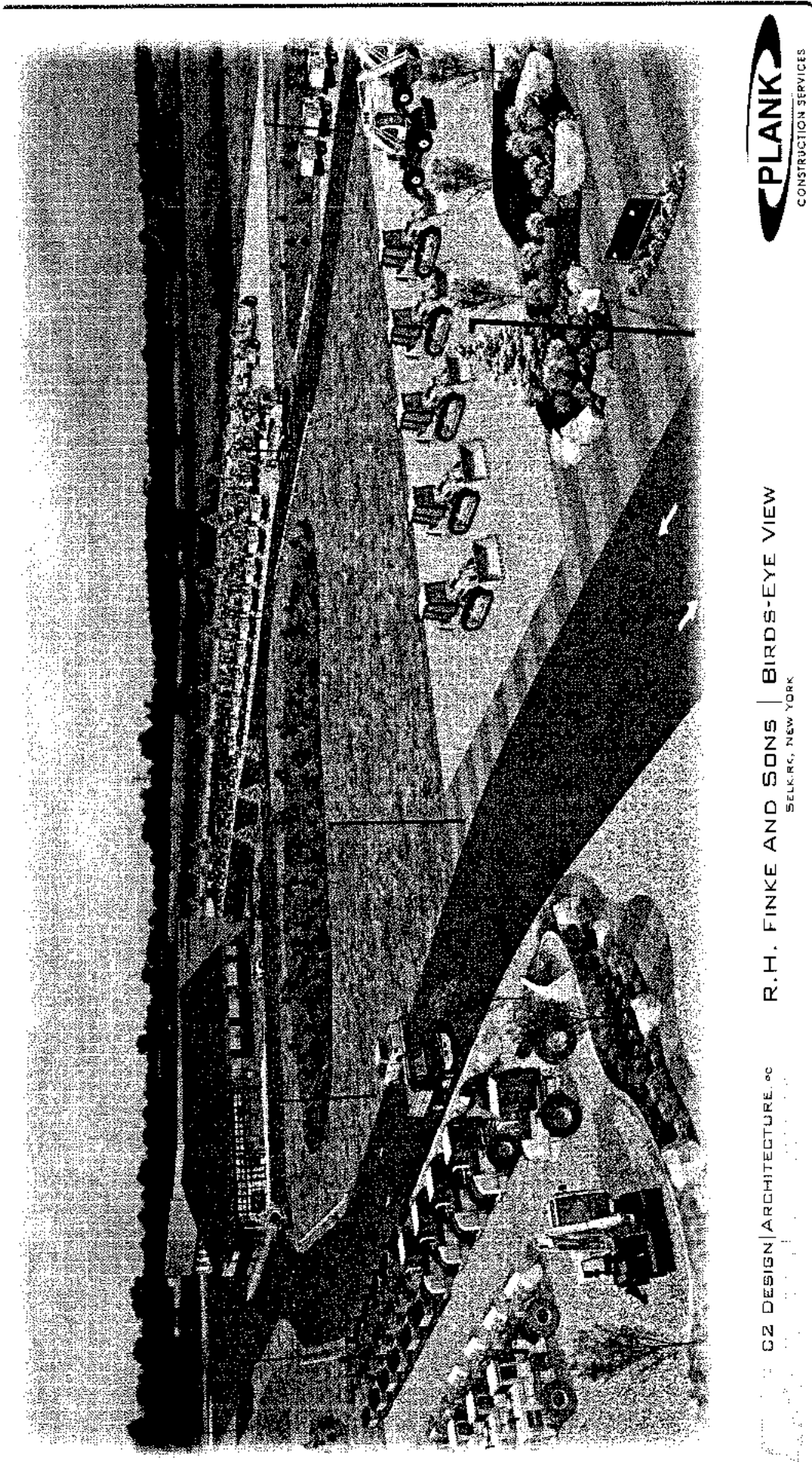
**BOUNDARY & TOPOGRAPHIC SURVEY
OF THE LANDS OF
ROBERT H. FINKE, BETTY JEAN FINKE
& JOHN R. FINKE**

ALLEN COUNTY, INDIANA
REGISTERED PROFESSIONAL SURVEYOR
NO. 10000
EXPIRES 12/31/2010
ALLEN COUNTY, INDIANA
JULY 14, 2009

Amstead & Waldorf Land Services, L.P.
514 Main Street, Bloomington, N.Y. 13030
Phone: (315) 366-2200 Fax: (315) 366-2201

DATE	4-10-09
BY	10000
SCALE	AS SHOWN

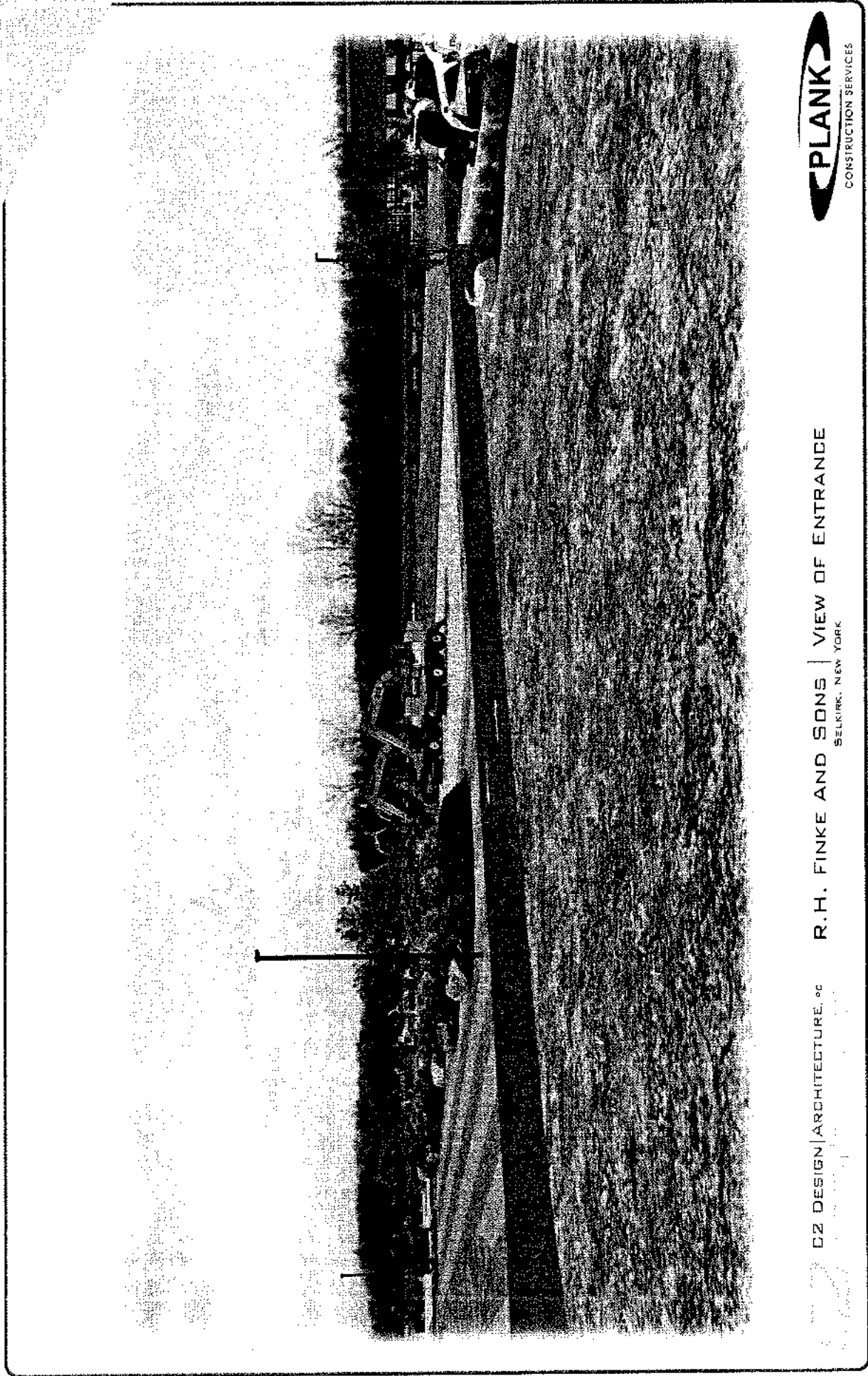




R.H. FINKE AND SONS | BIRDS-EYE VIEW
SELKIRG, NEW YORK

C2 DESIGN | ARCHITECTURE, PC

DATE: _____

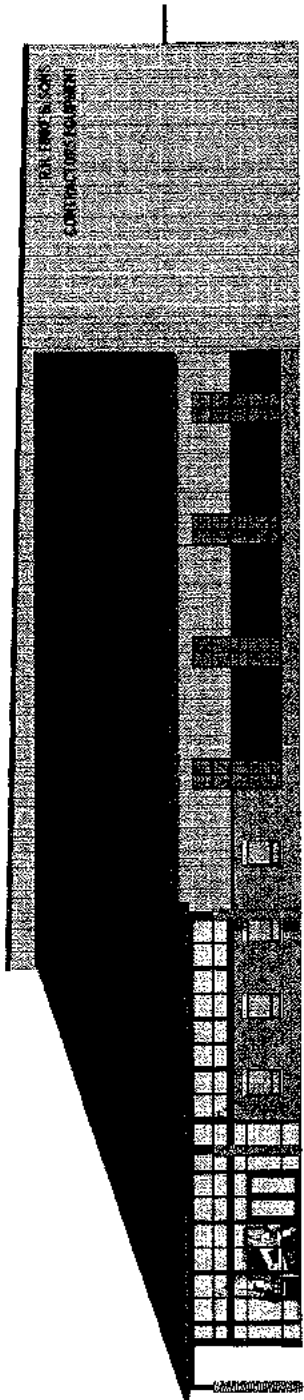


D2 DESIGN | ARCHITECTURE, PC

R.H. FINKE AND SONS | VIEW OF ENTRANCE
SELKIRK, NEW YORK



DATE



FRONT ELEVATION



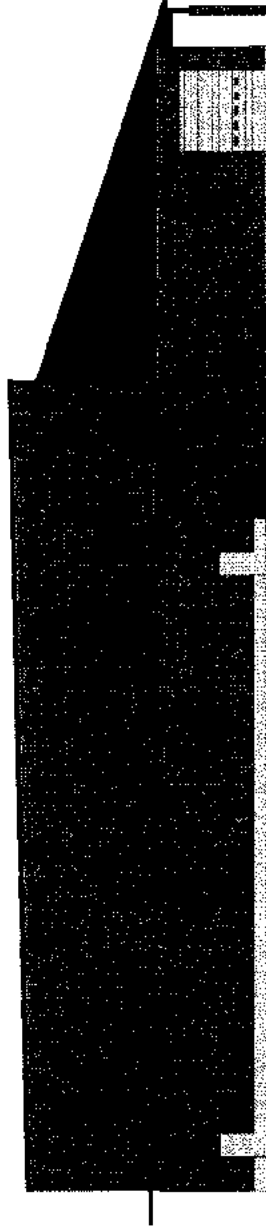
LEFT ELEVATION

C2 DESIGN | ARCHITECTURE, PC

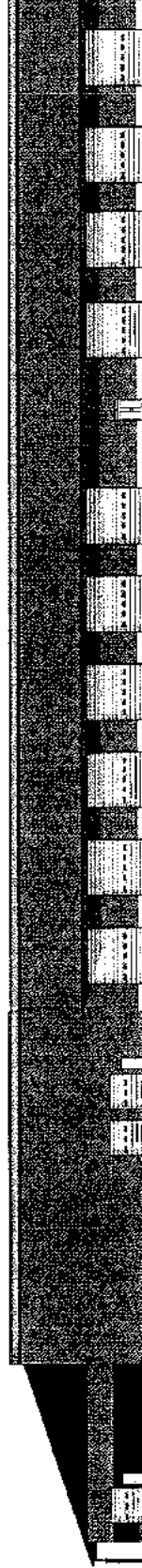
R.H. FINKE AND SONS | EXTERIOR ELEVATIONS
SELKIRK, NEW YORK



DATE: 1/1/11



REAR ELEVATION



RIGHT ELEVATION

D2 DESIGN ARCHITECTURE, PC

R. H. FINKE AND SONS | EXTERIOR ELEVATIONS
SELKIRK, NEW YORK



Date