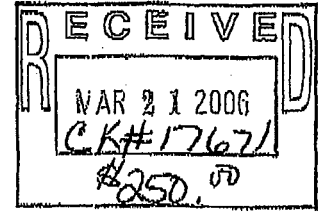


APPLICATION TO GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER FOR FINANCIAL ASSISTANCE



I. APPLICANT INFORMATION:

Company Name: WELLSVILLE CARPET TOWN INC, Address: 1429 CREAM - PORTVILLE ROAD WESTONS MILLS, NY 14788, Phone No.: (716) 373-3300, Telefax No.: (716) 373-1624, Fed. Id. No.: 16-0984954, Contact Person: BON GILBERT / TIM QUINN

Principal Owners/Officers/Directors: (list owners with 15% or more in equity holdings with percentage ownership)

TIM QUINN VP - 17%

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

Form of Entity:

- Corporation (checked), Partnership, Limited Liability Company, Sole Proprietorship

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

What is the date of the establishment

Place of organization and,

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

Applicant's Counsel:

Name: TIM EMBSEK, Address: 164 N. MAIN ST WELLSVILLE, NY 14785, Phone No.: 585-523-1090, Telefax No.: 585-523-6540

II. PROJECT INFORMATION

A) Detailed Description of Project:

TO CONSTRUCT AND OPERATE A 100,000 SQ. FT
ASSEMBLY AND DISTRIBUTION CENTER FOR OUR
FURNITURE RETAIL SHOWROOMS. THE CENTER WILL
REQUIRE CROSS DOCKING UTILIZING 25-30 DOCK
DOORS

B) Project Address: GATEWAY II CORPORATE PARK
WEST SAILE DRIVE
BATAVA, NY

C) Are utilities on Site:
Water ✓ Electric ✓
Gas ✓ Sanitary/Storm Sewer _____

D) Present legal owner of site GENESEE GATEWAY LOCAL DEV. CORP.
If other than Applicant by what means will the site be acquired for this Project:

E) Current Assessed Value of Property N/A
(not required if project is for equipment purchases only)

F) Zoning of Project Site: Current: INDUSTRIAL Proposed INDUSTRIAL

G) Are any variances Needed: _____

H) Principal Use of Project upon completion: ASSEMBLY & DISTRIBUTION

I) Will the Project result in the removal of a facility of the Applicant from one area of the State of New York to another? YES

Will the Project result in the removal of a facility of another proposed occupant of the Project from one area of the State of New York to another area of the State of New York? Yes No

Will the Project result in the abandonment of one or more facilities located in the State of New York? Yes No

* J) Current Employment at Project Location: Full time 35 Part time 0
Full Time Equivalents 54 35

* K) Estimate how many jobs will be retained as a result of this Project over the next three years: 54 35

* L) Estimate how many full time/ part-time jobs will be created as a result of this Project over the next three years: Full time 26 76 Part-time 0
Full Time Equivalents 26 76

* Note: Revised Jobs per Ron Gilbert (Controller)

M) Estimate how many construction jobs will be created by this Project: _____

N) Amount of Financial Assistance being applied for:

Taxable Bonds \$ _____

Tax Exempt Bonds \$ _____

Sale/ Leaseback \$ 4,045,000

O) Cost Analysis:

Estimated Financial Assistance

Estimated Sales Tax Exemption \$ 100,000

Estimated Mortgage Tax Exemption \$ 40,250

Estimated Property Tax Abatement \$ 834,930

Estimated Interest Savings IRB Issue \$ _____

P) Estimated Project Costs / Project Capital Investment:

Land \$ 495,000 (Purchase Value - Note if Included in Building line)

Building \$ _____ (Base Purchase Cost / Expected Assessed Value, if any)

Facility Investment \$ 2,500,000 (New Building Construction, Existing building expansion / upgrades)

Equipment \$ 1,025,000 (\$ Value of Production Equip, Furniture/Fixtures, Computers et. al.)

Soft Costs \$ 25,000 (Engineering, Architectural et. al.)

Other \$ _____ describe: _____

Tot. Cap Invest: \$ 4,045,000 (Sum all lines above)

Memo:

Taxable Equipment \$ 1,025,000 (Estimated value of equipment purchases subject to sales tax
i.e. Furniture, Fixtures, Computers, Software)

Q) Fees to be Paid by the Applicant:

Genesee County EDC \$ 40,450 (The Center will collect a 1% fee if this transaction was consummated through direct interaction between the Applicant and GCEDC. A 1.25% fee applies if an established GCEDC partner facilitated this transaction. The Center will collect its participation fee at the time of closing, based on estimated capital investment costs stated in this application. Should the actual costs exceed those estimates by more than 25%, an additional fee will apply.)

Harris Beach, LLP \$ 10,000 (Estimated fee for legal services required in connection with the financial assistance provided by the Genesee County Economic Development Center)

III. REPRESENTATIONS BY THE APPLICANT

The Applicant understands and agrees with the Center 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 Center, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entities") of the service delivery area created by the federal job training partnership act(Public Law 97-300) ("JPTA") in which the Project is located.

B) First Consideration for Employment. In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Center, except as otherwise provided by collective bargaining agreements, where practicable, the Applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JPTA 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 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 Center, 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 Center, the Applicant agrees to file, or cause to be filed, with the Center, 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 Center a list of the members, officers, and employees of the Center. No member, officers or employee of the Center has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

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

(Applicant)

By: _____

Name: RON GILBERT

Title: CONTRACTOR

This Application should be submitted with:

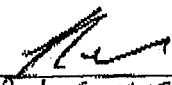
1. A \$250 Application fee to Genesee County Economic Development Center, One Mill Street, Batavia, New York (Attn: Chief Executive Officer (CEO)).
2. A certificate of insurance as follows:
 - a. Worker's Compensation Insurance (Center named as additional insured).
 - b. General Liability Insurance with limits not less than \$1,000,000 per occurrence /accident and a blanket excess liability not less than \$3,000,000 (Center named as additional insured).
 - c. Insurance against loss/damage by fire, lightning or other casualties with a uniform standard extended coverage endorsement in an amount not less than the full replacement value of the Facility. (Center named as named insured).

The GCEDC encourages the use of Genesee County contractors/suppliers and asks that they be allowed to bid your project!

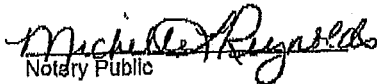
HOLD HARMLESS AGREEMENT

Applicant hereby releases Genesee County Economic Development Center and the members, officers, servants, agents and employees thereof (the "Center") from, agrees that the Center shall not be liable for and agrees to indemnify, defend and hold the Center harmless from and against any and all liability arising from or expense incurred by (A) the Center's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other assistance requested therein are favorably acted upon by the Center, (B) the Center's acquisition, construction and/or installation of the Project described therein and (C) any further action taken by the Center with respect to the Project; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. 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 Center or the Applicant are unable to reach final agreement with the respect to the Project, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Center, its agents or assigns, all costs incurred by the Center in the processing of the Application, including attorneys' fees, if any.

(Applicant)

By: 
Name: RON GIESERT
Title: CONTRACTOR

Sworn to before me this
21st day of March, 2006


Notary Public

MICHELLE L. REYNOLDS
Notary Public, State of New York
No. 01RE6009460
Qualified in Steuben County
Commission Expires June 29, 2007