

NEWS RELEASE

May 2, 2005

Contacts:

Steve Weems/CEI Capital Management LLC: 207-882-7552, x.150, Wiscasset, Maine

Dana Brunett/ Rural Opportunities, Inc.: 585-340-3385, Rochester, New York

Francis Lombardi/Fralo Plastech Manufacturing LLC: 315-475-0100, Syracuse, New York

Jennifer Hanley/U.S. Senator Hillary Clinton's Office: 212-688-9780, New York, New York

Dan Gage/U.S. Congressman James Walsh's Office: 315-423-5657, Syracuse, New York

FEDERAL NEW MARKET TAX CREDITS SPUR REAL ECONOMIC GROWTH IN CHALLENGED NEW YORK COMMUNITY

The Fralo Plastech Manufacturing LLC venture in Syracuse, New York is championed by Senator Hillary Clinton and Congressman James Walsh at a May 2, 2005 press conference. Fralo Plastech attracts the capital needed to purchase world's largest plastic blow-molding machine. New manufacturing business creates 75 new jobs and puts idle GM factory back into productive, environmentally-friendly use.

Syracuse, New York, May 2, 2005: Senator Hillary Rodham Clinton and Congressman James Walsh joined executives of Fralo Plastech Manufacturing at a ribbon cutting ceremony today that marks the successful start of a new business venture that has already created 50 new jobs and put an idle former GM plant in Syracuse, New York into productive reuse in an environmentally-friendly operation.

The support of Senator Clinton and Congressman Walsh helped create the ability to structure an innovative deal that utilized the relatively new federal tax credit program known as New Markets Tax Credits that helped to attract the necessary \$6 million of capital needed by Fralo Plastech Manufacturing LLC.

Fralo Plastech Manufacturing LLC is a new Salina, New York based firm (near Syracuse, NY) that used the critical funding to purchase the world's largest plastic blow-molding machine that is being used to produce exceptionally strong, environmentally friendly wastewater and stormwater tanks, septic tanks and related products. FRALO's plastic tank manufacturing operation has already had a significant positive economic development impact by creating the 50 new well-paying, full-time jobs in the challenged greater Syracuse community.

It is also a big plus to the community that Fralo has been able to reutilize an idle General Motors facility located in a brownfield redevelopment area and has based its operations on making the plant an environmentally friendly, state-of-the-art "zero-emissions" manufacturing operation.

"Fralo Plastech is pleased to be a successful new business that has been able to secure the financing it needed through the New Markets Tax Credit program that is allowing us to create these new jobs and produce a competitive, environmentally-friendly product," said Francis Lombardi, CEO of Fralo Plastech Manufacturing, LLC. "We are very appreciative of the support that Senator Clinton, Congressman Walsh, and our entire congressional delegation have given to us and to this important federal tax credit program."

But the environmental benefits are even wider in scope. The plastic tanks manufactured by Fralo also use recycled materials making them not only environmentally friendly because they help contain wastewater and pollutants, but also because they make good use of recycled natural resources.

The key to attracting the needed capital to allow Fralo to finance the purchase of the new \$6 million plastic blow-molding machine, which is the centerpiece of the new manufacturing venture, was the use of the federal New Markets Tax Credits (NMTCs).

NEWS RELEASE

The New Markets Tax Credit program was authorized by the U.S. Congress and is run by the U.S. Treasury Department's Community Development Financial Institution (CDFI) Fund. The purpose of the NMTC program is to provide financial incentives to help attract significant investment capital to historically underserved communities. The program is expanding the availability of credit, investment capital, and financial services in distressed urban and rural communities.

The NMTCs provide the incentive to debt and equity investors in the form of a 39% federal income tax credit to make investing such capital into qualified projects in designated eligible low-income areas more attractive. The financial support often helps mitigate the sometimes substantial risks associated with investing large amounts of money in less-accessible, rural, or already economically challenged areas.

This infusion of private-sector capital into urban and rural low-income areas is financing community development projects, stimulating new economic opportunity, and creating jobs in some of the most challenged areas.

Fralo Plastech Manufacturing's link to obtaining and making good use of the New Markets Tax Credits was one of the leading NMTC sponsors, Coastal Enterprises, Inc. (CEI) located in Portland, Maine. CEI has a combined federal allocation of \$129 million in NMTC tax credit investment capacity awarded in a competitive process run by the U.S. Treasury Department's CDFI Fund. Its prime service area includes Maine, New Hampshire, Vermont, western Massachusetts and upstate New York..

"Fralo Plastech's story is a prime example of how such a program can bring much-needed help and capital to underserved areas to create new opportunities and jobs," said Steve Weems, Managing Director of CEI Capital Management LLC. "It's a real win-win program for everyone including the 50 new employees, the challenged local community and the new Fralo venture, as well as the environment and U.S. taxpayer. The very real benefits are exponential in terms of the many positive economic, community, and environmental impacts."

Weems also pointed out that CEI has already closed over \$96 million in six separate New Markets Tax Credit transactions which have accounted for the creation and retention of more than 4,000 directly related jobs, as well as almost 27,000 indirectly related support and services jobs.

CEI's innovative sponsorship of the New Markets Tax Credits has allowed it to leverage the associated benefits to help protect over 1.5 million acres of working forests and wilderness areas by establishing creative partnerships with such conservation groups as The Nature Conservancy and the Appalachian Mountain Club. In addition, more than \$385 million has already been invested in low-income and distressed areas in projects that are making use of CEI's allocation of its New Markets Tax Credit investment capacity.

CEI is a private, nonprofit Community Development Corporation (CDC) and Community Development Financial Institution (CDFI) with roots in the civil rights movement. Founded in 1977, the organization provides capital and support in the development of job-creating small businesses, natural resources industries, community facilities, and affordable housing. While CEI's primary market has traditionally focused on Maine, through opportunities like those provided by the New Markets Tax Credit program, it has successfully expanded its reach in recent years to help build stronger, healthier communities throughout rural New England, upstate New York and beyond.

Some of CEI's programs include financing small and medium-sized businesses through loans and equity investments; offering one-on-one counseling, workshops and related support to a range of small businesses, including women in business, farmers, fisheries, and refugee and immigrant-owned businesses; developing affordable rental property and providing homeownership education to first-time homebuyers; connecting jobs seekers to resources and businesses to potential employees; managing subsidiary venture capital funds and tax credit financing programs (like the New Markets Tax Credit program); and providing innovative employment and business consulting services.

NEWS RELEASE

Nationally, the New Markets Tax Credit program's approximately 130 sponsoring organizations have been working with \$6 billion of NMTC investment allocation that were awarded in the first two rounds of a competitive application process managed by the CDFI Fund. A third round of NMTC allocation awards is pending and should be announced within the next 30 days. Congress originally authorized \$15 billion in NMTC investment capacity to be awarded and the program is coming up for reauthorization in the next year.

Fralo Plastech Manufacturing's use of New Markets Tax Credits is a prime example of how the credits can effectively help attract the needed investment capital into challenged low-income communities and distressed areas. The very real economic development that Fralo is bringing in the form of new jobs, better opportunities for local members of the community, and forward-thinking, environmentally-friendly operations represents some of the most innovative, far-reaching, and effective use of the New Markets Tax Credit Program.

Rural Opportunities, Inc., through its economic development affiliate the Enterprise Center (ROECI) is under contract with CEI to market the NMTC program to potential projects in New York State. This agreement allows CEI to concentrate on the projects at hand while ROECI staff recruits additional potential NMTC projects that may qualify for future allocations of tax credits.

Rural Opportunities, Inc. – Rural Opportunities Enterprise Center, Inc. (ROECI) is a federally certified Community Development Financial Institution (CDFI). ROECI provides access to credit and technical assistance for small businesses and micro enterprises in rural communities as well as low and moderate-income individuals. www.ruralinc.org

Coastal Enterprises, Inc. – CEI is a private, nonprofit Community Development Corporation (CDC) and Community Development Financial Institution (CDFI) who provides capital and support in the development of job-creating small businesses, natural resources industries, community facilities, and affordable housing. CEI provides financing to small and medium-sized businesses through loans and equity investments. www.ceimaine.org

Greendeck Capital – Greendeck owns and manages small privately held companies around the country. As Principal of Greendeck Mr. Caulkins is actively involved in the sourcing of deals, negotiating terms, performing due diligence, managing companies at a board level, and, when appropriate, leading companies through a sale or merger.

###