

Pittsfield Engineering and Manufacturing Company Gets \$5 Million in Financing to Advance Medical Device Business

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Apex Resource Technologies Is Recipient of Innovative Loan That Will Lead to Business Expansion and Job Creation

Boston, October 27...In conjunction with The Pittsfield Cooperative Bank, Western Massachusetts Enterprise Fund and the City of Pittsfield, Massachusetts Housing Investment Corporation (MHIC) and Apex Resource Technologies (Apex) are pleased to announce that Apex is the recipient of a \$5 million financing package that will provide the company with the working capital it needs for its continuing investment in the medical device industry. The financing combines a bank loan from Pittsfield Cooperative Bank with gap financing available through the use of New Markets Tax Credit financing, provided from MHIC.

Located in the Downing Industrial Park in Pittsfield, Apex is a privately-held company owned by Don and Donna Rochelo. Founded in 1983, the company provides engineering, design, and manufacture of injection molding products. Historically it has produced a variety of plastic components used in the medical, industrial and communications fields. It recently added a promising new product line in the growing field of implantable medical devices for use in surgical procedures. The company currently employs approximately 60 people, and its sales are world-wide.

The new infusion of \$5 million in working capital will enable Apex to exploit opportunities for growth in the medical device and implantable industry. According to Apex President Don Rochelo, employment at the company could grow 20-30 percent over the next two years as the medical device industry is poised for exponential growth.

Hank Ervin, Vice-President of Commercial Lending at the Pittsfield Cooperative Bank, explained that MHIC and the Bank were able to fashion an innovative loan structure combining a traditional bank mortgage with the equity available under the New Markets Tax Credit program. The bank provided a \$1 million working capital loan to Apex, and a \$3 million loan to MHIC that was used to access an additional \$1 million in tax credit funding, which was in turn, loaned to Apex directly. "Thanks to the Tax Credit equity," Mr. Ervin said, "Apex was able to acquire the debt at very favorable terms compared to a conventional bank loan while also gaining access to the equity-like capital that it needed."

Deborah Favreau, Senior Investment Officer at MHIC, added that this financing was also significant because New Markets Tax Credits most often have been used to finance debt associated with real estate development. MHIC has pursued new ways to expand the range of eligible business uses of New Markets capital to promote long term job creation. "Apex offered an all-too-rare opportunity to create good manufacturing jobs in a high growth industry. New Markets Tax Credit financing provided the kind of patient, flexible capital that Apex needs to carry out its plans. And Pittsfield is an ideal location for such

an investment,” she said.

Ms. Favreau is well-known in the City of Pittsfield for her work on other projects that MHIC financed using New Markets Tax Credits – specifically, the restoration of the Colonial Theatre and completion of the Beacon Cinema project. New Markets financing provided \$14.7 million in gap financing that made the projects financially feasible. The New Markets Tax Credit program is a federal program that provides a tax incentive to businesses and individuals for investments that spur revitalization in low income communities.

Pittsfield Mayor James M. Ruberto, a strong advocate of both small business and the use of New Market Tax Credits to finance the City’s revitalization and help job creation stated, “We saw it with the Colonial Theatre restoration, we saw it with the Beacon Cinema project, and now we see it with small businesses like Apex Resource Technologies, Inc. These public/private partnerships are helping to create the kind of jobs that will drive this City’s economic fortunes in the years to come. Thank you, Don and Donna Rochelo, for helping to keep Pittsfield on the track to being one of the best small cities in New England.”