

EXHIBIT 1

MODEL 700 CUT CHECKERING

ALTERNATIVE NO. 1

DEVELOP A NEW MULTIPLE HEAD, HIGH SPEED MACHINE CAPABLE OF PRODUCING HIGH QUALITY CHECKERING. THIS IS THE LEAST COSTLY ALTERNATIVE. RIFLE WOULD BE AVAILABLE FOR JUNE, 1974 INTRODUCTION.

|                   |   |                |
|-------------------|---|----------------|
| DEVELOPMENT COST  | - | \$ 275,000     |
| CONSTRUCTION COST | - | <u>450,000</u> |
| TOTAL             |   | \$ 725,000     |

ALTERNATIVE NO. 3

PURCHASE 21 MACHINES OF EXISTING SINGLE HEAD DESIGN. THIS IS THE MOST COSTLY ALTERNATIVE. RIFLE WOULD BE AVAILABLE FOR JANUARY, 1974 INTRODUCTION.

CONSTRUCTION COST - \$1,410,000

JHS:I  
10/19/72

EXHIBIT 2