

**MINUTES OF THE MEETING OF THE
MEMBERSHIP OF THE
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(ECIDA)**

DATE AND PLACE: May 16, 2011, at the Erie County Industrial Development Agency, 143 Genesee Street, Buffalo, New York 14203

PRESENT: Philip C. Ackerman, Barry Brandon, Hon. Byron W. Brown, Hon. Anthony F. Caruana, Hon. Chris Collins, Philip Corwin, Jonathan Dandes, James F. Doherty, Hon. David Franczyk, Michael Hoffert, Hon. Mary F. Holtz, Michael Laipple, Frank B. Mesiah, Hon. Barbara Miller-Williams, Dr. Andrew J. Rudnick, Henry M. Sloma, Richard Vogan, Hon. Timothy J. Whalen and Hon. Barry Weinstein

EXCUSED: None.

OTHERS PRESENT: Al Culliton, Chief Operating Officer; John Cappellino, Executive Vice President; Karen Fiala, Assistant Treasurer; David Kerchoff, Assistant Treasurer; Andrew Schoepich, Treasurer; Robert G. Murray, Assistant Secretary; and Pietra G. Lettieri, Assistant Secretary

There being a quorum present at 9:15 a.m., the Meeting of the Membership of the Erie County Industrial Development Agency was called to order by Mr. Ackerman.

INDUCEMENT RESOLUTIONS

Niagara Transformer Corp. - Lease/Leaseback – 1755 Dale Road, Cheektowaga, New York.

Ms. Fiala presented the inducement resolution for the construction of a new 24,000 sq. ft. manufacturing facility with capabilities for two 75 ton cranes. Upon a motion made by Ms. Holtz, seconded by Mr. Weinstein, the following resolution was unanimously carried.

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF NIAGARA TRANSFORMERS CORP. (THE “COMPANY”) IN CONNECTION WITH A CERTAIN PROJECT DESCRIBED BELOW; (ii) RATIFYING THE SCHEDULING, NOTICING, AND CONDUCTING OF A PUBLIC HEARING IN CONNECTION WITH THE PROJECT; (iii) MAKING A DETERMINATION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT; (iv) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (v) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A

SALES TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, (B) A PARTIAL REAL PROPERTY TAX ABATEMENT THROUGH THE PILOT AGREEMENT, AND (C) A MORTGAGE RECORDING TAX EXEMPTION FOR FINANCING RELATED TO THE PROJECT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, A PILOT AGREEMENT AND RELATED DOCUMENTS

At this point, the Hon. Chris Collins joined the meeting.

Rich Products Corporation - Lease/Leaseback – One Robert Rich Way, Buffalo, New York.

Ms. Fiala presented the inducement resolution for this sales tax exemption project consisting of certain interior building renovations to facilitate marketing and research and development capabilities. Upon motion made by Mayor Brown, seconded by Mr. Doherty, with the abstention of Mr. Mesiah and Mr. Dandes, the following resolution was unanimously carried:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF RICH PRODUCTS CORPORATION (THE “COMPANY”) IN CONNECTION WITH A CERTAIN PROJECT DESCRIBED BELOW; (ii) RATIFYING THE SCHEDULING, NOTICING, AND CONDUCTING OF A PUBLIC HEARING IN CONNECTION WITH THE PROJECT; (iii) MAKING A DETERMINATION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT; (iv) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (v) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF A SALES TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE CONSTRUCTION AND/OR RENOVATION AND EQUIPPING OF THE PROJECT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF RELATED DOCUMENTS

BOND SALE RESOLUTION:

Joint School Construction Board. Mr. Corwin briefly reviewed this project and reviewed the Agency’s Finance and Audit Committee’s recommendation with regard to the issuance of bonds related thereto. Specifically, Mr. Corwin described the Agency’s prior and current issuance of its School Facility Revenue Bonds (the “Bonds”) previously approved by the Agency to be issued, from time to time, in the aggregate principal amount not to exceed \$1,450,000,000 on behalf of the City of Buffalo, the City School District of the City of Buffalo, and their agent, the Joint Schools Construction Board, in order to finance various public school facilities and to assist in the acquisition, renovation, construction, reconstruction, improvement, equipping and furnishing of such public school facilities within the City in order to implement the comprehensive redevelopment of the City’s public schools.

The debt issuance for consideration involves the issuance of refunding bonds in an aggregate principal amount not to exceed \$160,000,000 to refund the Series 2003 Bonds issued by the Agency, in whole or in part. There being no further questions, upon motion made by Mr. Corwin, and seconded by Mr. Brandon, with the abstention of Mr. Laipple, the following resolution was unanimously approved:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AMENDING A CERTAIN RESOLUTION ADOPTED BY THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ON OCTOBER 19, 2009 RELATING TO ITS PROJECT FOR THE CITY SCHOOL DISTRICT OF THE CITY OF BUFFALO AND OTHER MATTERS IN CONNECTION THEREWITH

SPECIAL RESOLUTION:

Protective Industries, LLC. Ms. Fiala presented the resolution for this project involving a merger and re-financing of prior debt. Upon motion made by Mayor Brown, seconded by Ms. Holtz, the following resolution was unanimously carried:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE REQUEST OF PROTECTIVE INDUSTRIES, INC. (THE "COMPANY") IN CONNECTION WITH A CERTAIN MERGER DESCRIBED BELOW; (ii) MAKING A DETERMINATION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT; (iii) AUTHORIZING IN CONNECTION WITH THE MERGER TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF A MORTGAGE RECORDING TAX EXEMPTION FOR FINANCING RELATED TO THE PROJECT; AND (iv) AUTHORIZING THE NEGOTIATION AND EXECUTION OF RELATED DOCUMENTS

TENANT RESOLUTION:

LCo Building, LLC/U Building. Ms. Fiala introduced this tenant approval request for First Niagara Bank to occupy space in the Larkin U Building located at 239 Van Rensselaer owned by LCO Building, LLC. Ms. Fiala noted that the new jobs associated with First Niagara Bank's occupancy will result in a sufficient number of new jobs to permit the Agency and LCo Bulidng, LLC to enter into a 10-Year Enhanced PILOT. Upon motion made by Mr. Weinstein, seconded by Mr. Franczyk, with the abstention of Mr. Sloma, the tenant approval for First Niagara Bank was unanimously approved.

ACTION ITEM

Professional Services Proposals

Mr. Culliton reviewed the Agency's need for engaging certain professionals/consultants for various project management and economic development services. A memorandum reviewing the need and Request for Quotations process, as attached

hereto and made a part of these minutes, was presented to the Members. After some brief discussion, upon motion made by Mr. Corwin, seconded by Dr. Rudnik, and unanimously carried, it was resolved that Conestoga-Rovers & Associates, H. Sicherman & Company, Inc., TVGA Consultants, Wendel, and Ms. Jo Nasoff-Finton be approved and authorized to be engaged by the Agency to provide project management and economic development services, on an as-needed basis. A written resolution effecting this determination is made a part of these minutes and attached hereto.

MINUTES

The minutes of the April 11, 2011 Meeting of the Members were presented, and upon motion made by Dr. Rudnick, and seconded by Mr. Brandon, approval of the minutes was unanimously carried.

REPORTS

Financial Report. Mr. Schoeppich presented the April, 2011 financial statements. Mr. Schoeppich noted that the ECIDA has reversed an accounting provision for the New York State IDA tax which was paid on March 31, 2011. The State retroactively cancelled the tax which resulted in a gain of \$158,254. There being no further questions, Mr. Ackerman directed that the financial report be received and filed.

INFORMATION ITEMS

2011 Closing Schedule. Mr. Kerchoff presented the year to date 2011 ECIDA Closing Schedule. There being no further questions, Mr. Ackerman directed that the report be received and filed.

RDC Loan Status/Backlog Report. Mr. Kerchoff presented the Loan Status Report dated as of May 11, 2011, showing that in the last 30 days, two RDC loans have been closed including a loan with HEI Recycling, Inc., the first loan closed utilizing the new Business Stimulus Loan Fund, and that approximately six loans are in the process of being closed. There being no further questions, Mr. Ackerman directed that the report be received and filed.

ACTION ITEMS:

Certification regarding The Buffalo & Erie County Revolving Loan Fund (RLF).

Mr. Kerchoff introduced this item and explained the requirement for the Agency to pass a certifying resolution regarding the Buffalo and Erie County Revolving Loan Fund. In compliance with EDA regulations, the Agency annually certifies that the RLF is being operated in accordance with the policies and procedures contained in the RLF Loan Administration Plan, and that the loan portfolio meets the standards contained therein. Mr. Kerchoff noted that the Agency is currently updating the RLF Loan Administration Plan, and also noted that loan fund utilization is below EDA requirements but that the Agency is attempting to work with EDA to resolve this issue. Mr. Ackerman noted that while the members have not reviewed the specific operations of the RLF, the law firm of Harris Beach PLLC, as the Agency's general counsel, has confirmed that the statements within the

accompanying resolution are accurate. Upon motion made by Mr. Ackerman, seconded by Mr. Mesiah, the following resolution was unanimously carried:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "RLF BOARD" OR "AGENCY") IN CONNECTION WITH AN ANNUAL CERTIFICATION TO BE MADE UNDER THE STANDARD TERMS AND CONDITIONS AND ADMINISTRATIVE MANUAL REQUIREMENTS OF THE ECONOMIC DEVELOPMENT ADMINISTRATION (THE "EDA")

Foreign Trade Zone Agreement. Ms. Mary Ann Stein next briefed the members on the purposes of, history of, and the current operating status of, Erie County Foreign Trade Zone #23 (the "FTZ"). Erie County, the original grantee of the FTZ, has historically contracted with the Agency to provide administration services with respect to FTZ operations, and in order for the Agency to continue to provide such administration services for the FTZ, its contract with the Erie County must be renewed. After some general discussion, upon motion made by Mr. Weinstein, and seconded by Mr. Vogan, the following resolution was unanimously approved:

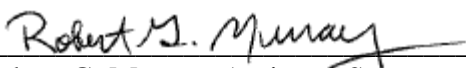
RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING THE AGENCY TO ENTER INTO A CONTRACT WITH THE COUNTY OF ERIE AND WITH APPROPRIATE CONSULTANT(S) AND/OR CONTRACTORS AND/OR SUB-CONTRACTOR(S) FOR THE PURPOSE OF THE CONTINUED ADMINISTRATION OF FOREIGN TRADE ZONE NO. 23

MANAGEMENT TEAM REPORTS:

Media/Press Coverage. Mr. Culliton updated the members with respect to on-going efforts to streamline the operations of the Agency and its affiliates, including the status of a year long effort to dissolve the Buffalo Niagara Regional Development Corporation and the ATC of Buffalo and Erie County, Inc. Mr. Culliton also reviewed recent media coverage that the Agency has received over the prior month, as contained within the packages distributed to the members.

There being no further business, upon motion made by Mr. Brandon, seconded by Mr. Weinstein, and unanimously carried, the meeting was adjourned at 9:39 a.m.

Dated: May 16, 2011



Robert G. Murray, Assistant Secretary