

Buffalo & Erie County Industrial Land Development Corp.

Investment Report

For the year ended December 31, 2010

Buffalo & Erie County Industrial Land Development Corp.

2010 Annual Investment Report

Purpose of Report:

Under Section 2925(6) of the Public Authorities Law, ILDC is required to prepare and approve an annual Investment Report. The investment report is to include: ILDC's Investment Guidelines (see below), the results of the annual independent investment audit (see below), a list of the total investment income received by the corporation and a list of the fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to the corporation since the last Investment Report.

The attached schedule details the corporation's investment income and related fees for the year ended December 31, 2010 and was approved by the ILDC Board of Directors on March 21, 2011.

Investment Guidelines:

In accordance with Section 2925 of the Public Authorities Law, ILDC is required to adopt Investment Guidelines which detail its operative policy and instructions to staff regarding the investing, monitoring and reporting of funds of the Agency. ILDC has elected to follow the deposit and investment restrictions contained in Sections 10 and 11 of the General Municipal Law as a "best practice".

The Investment Guidelines were approved by the ILDC Board of Directors on March 21, 2011 and are posted on the ECIDA website at <http://www.ecidany.com/about-us-corporate-policies>. The Investment Guidelines are consistent with the prior Guidelines adopted on April 12, 2010.

Investment Audit:

ILDC's auditors have audited the corporation's compliance with the Investment Guidelines for Public Authorities. In their report dated March 9, 2011 Toski, Schaefer & Co have indicated that ILDC complied, in all material respects, with these Investment Guidelines.

Buffalo & Erie County Industrial Land Development Corporation (ILDC)

Annual Investment Report

For the year ended December 31, 2010

| Account Type | Financial Institution | G/L Balance | | Interest Rate** Dec 2010 | Investment Income | Fees | Restricted | Purpose |
|----------------|-----------------------|-------------------|------------------|-----------------------------|-------------------|---------------|------------|---|
| | | 1/1/2010 | 12/31/2010 | | | | | |
| 1 Money Market | Keybank | 481,910 | 32,602 | 0.20% | 745 | - | ✓ | Erie County BDF Fund general operating/investment account |
| 2 Checking | M&T Bank | 28,301 | 25,948 | - | - | 274 | ✓ | SBA Fund revolving loan account |
| 3 Checking | M&T Bank | 40,500 | - | - | - | 13 | ✓ | SBA Fund reserve account. Account closed in 2010 |
| | | <u>\$ 550,710</u> | <u>\$ 58,550</u> | | <u>\$ 745</u> | <u>\$ 286</u> | | |

Notes:

The ILDC maintains its SBA accounts with M&T Bank as Keybank was unwilling to enter into the required tri-party assignment agreement with the SBA. In 2004, Keybank was selected as the financial institution for the other accounts based upon a formal Request for Proposal. A new RFP for ILDC's non-SBA accounts is scheduled for the 2nd quarter of 2011.

** The Interest Rate is the annualized rate for the month of December 2010 and is prior to the deduction of any fees.