Buffalo and Erie County Regional Development Corporation
Meeting of the Board of Directors

ECIDA Offices
95 Perry Street, 4th Floor Conference Room
Buffalo, New York 14203

July 22, 2026
at 12:00 p.m.

1.0 Call to Order

2.0 Approval of Minutes

2.1 Approval of June 24, 2026 Minutes of the Meeting of the Board of Directors (Action Item) (Pages 2-3)

3.0 Reports / Action Items / Information Items:

3.1 Financial Report (Informational) (Pages 4-7)
3.4 Loan Status Report (action Item) (Page 8)
3.5 Approval of the Following Loan Case(s):
a) Akron Community Pharmacy (Action Item) (Pages 9-16)
b) Herbert F. Darling/Dardrill (Action Item) (Pages 17-23)

4.0 Management Team Reports:

4.1

5.0 Adjournment- Next Meeting August 26, 2026

**MINUTES OF THE MEETING
OF THE
BOARD OF DIRECTORS
OF THE
BUFFALO AND ERIE COUNTY REGIONAL
DEVELOPMENT CORPORATION
(RDC)**

DATE AND PLACE:	June 24, 2026, at the Erie County Industrial Development Agency, 95 Perry Street, 4th Floor Conference Room, Buffalo, New York 14203
PRESENT:	Dr. LaVonne Ansari, Rev. Mark Blue, Grace Bogdanove, Lorry Goldhawk, Gregory Inglut, Brenda McDuffie, Glenn Nellis, Hon. Brian Nowak, Hon. Mark Poloncarz, Kenneth Schoetz and Stephen Zenger
EXCUSED:	Hon. Joel Feroleto, Hon. John J. Flynn, Dottie Gallagher, Tyra Johnson, Hon. Shawn Lavin, Hon. Sean Ryan and Hon. Taisha St. Jean Tard
OTHERS PRESENT:	John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Jerry Manhard, Chief Lending Officer; Soma Hawramee, Director of Operations; Carrie Hocieniec, Operations Assistant/Assistant Secretary; Brian Krygier, Director of Information Technology; Noah Cliff, Business Development Officer; Michelle Moore, Compliance Portfolio Manager; Talia Johnson-Huff, Director of Projects and Property; Erin Ellis, Project Manager; Alyssa Penny, Compliance Associate and Robert Murray, Esq., General Counsel/Harris Beach Murtha
GUESTS:	Thomas Saia and Arnold Collier on behalf of Iroquois Bar Corporation; Zaque Evans and Daniel Castle on behalf of Erie County; Laura Smith on behalf of Buffalo Niagara Partnership; Adam Serbert on behalf of Good Carbon; Josh Veronica on behalf of Buffalo Niagara Partnership; Benjamin Fox on behalf of Buffalo Niagara Partnership and Thomas Baines on behalf of the City of Buffalo

There being a quorum present at 12:27 p.m., the meeting of the members of the Buffalo and Erie County Regional Development Corporation (the "RDC"), was called to order by Chair McDuffie.

MINUTES

The minutes of the April 22, 2026, meeting of the members of the board of directors, were presented. Mr. Poloncarz moved, and Mr. Inglut seconded, to approve of the minutes. Ms. McDuffie called for the vote, and the minutes were then unanimously approved.

REPORTS / ACTION ITEMS / INFORMATION ITEMS

Financial Report. Ms. Profic presented the May financial reports. The balance sheet shows that the RDC finished the month with total assets of $23.7M, made up of cash and loans receivable. Liabilities reflect amounts due to ECIDA, with an estimate of annual costs recorded each month. Fund balance is $23.5M. The May income statement reflects $50,000 of revenues, mostly loan interest income, and $34,000 of expenses. After non-operating revenue of $19,000, there was net income of $36,000 in May. The year-to-date income statement shows operating revenue of $246,000, $131,000 of operating expenses, and $87,000 of non-operating revenue, combining for net income of $202,435 so far in 2026. Ms. McDuffie directed that the report be received and filed.

Banking Resolution. Ms. Profic requested the addition of Gerald Manhard as a signer on the RDC's M&T Bank accounts. Upon motion made by Mr. Inglut and seconded by Rev. Blue, the Board approved adding Gerald Manhard as an additional signer on the RDC's M&T Bank accounts and authorized Ms. Profic to execute the related M&T Bank resolution.

RDC Loan Committee Chair Appointment. Mr. Inglut moved and Mr. Zenger seconded to approve of the appointment of new RDC Loan Committee Chair. Ms. McDuffie then called for the vote and the following resolution was unanimously approved:

> RESOLUTION OF THE BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION (THE "RDC") APPOINTING REBECCA GANDOUR TO SERVE AS CHAIR OF THE LOAN COMMITTEE OF THE RDC

Loan Status Report. Mr. Manhard provided this report to Board members. Ms. McDuffie directed that the report be received and filed.

APPROVAL OF THE FOLLOWING LOAN CASE

Iroquois Bar Corp., 155 Commerce Drive, Lackawanna, New York 14218, $1,938,000 120-month loan, secured and guaranteed. Mr. Poloncarz moved, and Rev. Blue seconded to approve of the loan. Ms. McDuffie called for a vote and the motion was approved.

There being no further business to discuss, Ms. McDuffie adjourned the meeting at 12:41 p.m.

Dated: June 24, 2026

Mollie Profic, Vice President

Regional Development Corporation

Financial Statements

As of June 30, 2026

REGIONAL DEVELOPMENT CORPORATION ("RDC")
Balance Sheet
June 30, 2026

	June 2026	May 2026	December 2025
ASSETS:			
Restricted Cash and Equivalents**	$ 9,513,917	$ 9,441,886	$ 8,590,325
Accounts Receivable	319,428	306,892	310,763
Direct Loans *	14,430,494	14,456,368	15,352,421
Reserve for Loan losses	(542,969)	(544,242)	(595,882)
Total Loan Assets, net	13,887,526	13,912,126	14,756,539
TOTAL ASSETS	$ 23,720,870	$ 23,660,903	$ 23,657,626
LIABILITIES & NET ASSETS			
Accounts Payable	$ -	$ -	$ 10,991
Due to ECIDA	165,436	138,636	326,803
Total Liabilities	165,436	138,636	337,794
Restricted Fund Balance	23,555,435	23,522,268	23,319,833
TOTAL LIABILITIES & NET ASSETS	$ 23,720,870	$ 23,660,903	$ 23,657,626

***Loan Portfolio Summary:**	**June 2026**	May 2026	December 2025
# of Legacy RLF Loans	34	34	35
# of CARES Act RLF Loans	29	28	26
	63	62	61

** Cash and restricted cash is invested in interest bearing accounts at M&T Bank and obligations of the United States of America at Wilmington Trust. The maximum FDIC insured amount = $250,000 with the remainder of the cash balance collateralized with government obligations by the financial institution. Collateral is not required for U.S. government obligations.

REGIONAL DEVELOPMENT CORPORATION ("RDC")
Income Statement
Month of June 2026

	Actual vs. Budget		
	Actual	Budget	Variance
REVENUES:			
Interest Income - Loans	$ 48,624	$ 48,333	$ 291
Administrative Fees	1,000	1,458	(458)
Other Income	-	208	(208)
Total Revenues	49,624	50,000	(376)
EXPENSES:			
Management Fee - ECIDA*	24,500	23,200	1,300
Provision for Loan Losses	(1,274)	25,000	(26,274)
Rent & Facilities Expenses	2,300	2,250	50
Professional Services	3,971	5,417	(1,446)
General Office Expenses	255	333	(78)
Other Expenses	6,182	2,898	3,284
Total Expenses	35,934	59,098	(23,164)
OPERATING INCOME(LOSS):	13,690	(9,098)	22,788
NONOPERATING REVENUE:			
Interest Income	19,477	3,142	16,335
Total Nonoperating Revenue	19,477	3,142	16,335
NET INCOME/(LOSS):	$ 33,167	$ (5,956)	$ 39,123

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to RDC. The amount booked reflects 2026 budgeted figures.

REGIONAL DEVELOPMENT CORPORATION ("RDC")
Income Statement
Year to Date: June 30, 2026

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
REVENUES:						
Interest Income - Loans	$ 292,663	$ 290,000	$ 2,663	$ 292,663	$ 260,220	$ 32,443
Administrative Fees	3,000	6,250	(3,250)	3,000	10,000	(7,000)
Other Income	468	1,250	(782)	468	146	323
Total Revenues	296,131	297,500	(1,369)	296,131	270,366	25,765
EXPENSES:						
Management Fee - ECIDA*	147,000	139,000	8,000	147,000	138,600	8,400
Provision for Loan Losses	(52,913)	150,000	(202,913)	(52,913)	6,528	(59,441)
Rent & Facilities Expenses	13,800	13,500	300	13,800	14,400	(600)
Professional Services	32,368	19,375	12,993	32,368	26,293	6,076
General Office Expenses	589	2,000	(1,411)	589	-	589
Other Expenses	25,906	17,388	8,519	25,906	26,780	(874)
Total Expenses	166,750	341,263	(174,512)	166,750	212,601	(45,851)
OPERATING INCOME(LOSS):	129,381	(43,763)	173,143	129,381	57,765	71,616
NONOPERATING REVENUE:						
Interest Income	106,221	18,850	87,371	106,221	110,885	(4,664)
Total Nonoperating Revenue	106,221	18,850	87,371	106,221	110,885	(4,664)
NET INCOME/(LOSS):	$ 235,602	$ (24,913)	$ 260,514	$ 235,602	$ 168,650	$ 66,952

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to RDC. The amount booked reflects 2026 budgeted figures.

RDC
REGIONAL DEVELOPMENT CORPORATION

Loan Status Report
July 2026

RDC Loans Approved Since Last Meeting	**Municipality**	**Amount**
Iroquois Bar Corp.	Buffalo	$1,938,000

RDC Loans Closed Since Last Meeting	**Municipality**	**Amount**
MDJC, LLC (Santasiero's Restaurant)	Buffalo	$200,000

Loans in Closing Process	**Municipality**	**Amount**
G&F Contracting Services, LLC (EZ Finish Systems)	Buffalo	$250,000

Loans in Pipeline	**Municipality**	**Amount**
3	Various	$4,012,000

2026 – Loans Approved	**Loan Total**	**Jobs to be Created**	**Retained Jobs**	**Dollars Leveraged**
7	**$2,909,500**	**55**	**205**	**$4,651,000**

MBE/WBE/Vet Loans: 3 (43%)

2025 – Loans Approved	**Loan Total**	**Jobs to be Created**	**Retained Jobs**	**Dollars Leveraged**
7	**$4,028,500**	**35**	**110**	**$4,888,733**

MBE/WBE/Vet Loans: 1

Loan Portfolio Performance

Past Due Loans:

Name	**Loan Balance**	**Amount Past Due**	**Days Past Due**	**Comments**
Dobutsu, Inc.	$128,375	$46,740	365+	Negotiated a settlement offer, conducting a sale of Assets

Portfolio Delinquency Rate (90+ day Past Due Outstanding Loan Balance *divided by* Portfolio Balance):

$128,375 / $14,722,672 = 0.9% **Delinquency Rate** (64 total loans in portfolio)

RDC Funds Available to Lend: $7,643,964

RDC
REGIONAL DEVELOPMENT CORPORATION

RDC Loan Analysis

Borrower:	Akron Community Pharmacy, Inc.	**Structure:**	S-Corp	**Year Established:**	2025
Address:	12983 Main St.	**City:**	Akron	**Zip:**	14001
Website:	akroncommunityrx.com	**NAICS:**	456110	**SIC:**	5912
Loan Amount:	$1,500,000	**Interest Rate:**	3%	**Term:**	120 months
Monthly Payment:	$15,865.41	**Contact Name:**	Padmaja Kumar	**Site Visit:**	5/6/2026
Purpose:	Working Capital	**Jobs Retained:**	18	**Jobs to be created**	4

SOURCES AND USES

Sources:	**Amount**	**% of Project**
RDC	$1,500,000	52%
Equity	$1,400,000	48%
Total Sources	**$2,900,000**	100%
Uses:	**Amount**	
RDC TL:		
Working Capital	$1,500,000	52%
Equity		
Leasehold Improvements	$200,000	7%
Pharmacy Inventory	$300,000	10%
Front Store Inventory	$85,000	3%
Software and Training	$70,000	2%
Rent	$84,000	3%
Payroll	$210,000	7%
Maintenance	$140,000	5%
Reserves/WC	$311,000	11%
Total Uses	**$2,900,000**	100%
Dollars leveraged	$1,400,000	48%

COLLATERAL AND SECURITY

Collateral:	1st lien on business assets.
Guarantors:	Unlimited personal guarantees of Padmaja Kumar and Yellamraju. Kumar.

SUPPLEMENTAL INFORMATION

Fund Criteria:	**Job Creation:** ☒ **Job Retention** ☒ **Target Industry:** ☒ **MWBE:** ☒
Eligibility:	**Bank Declination:** ☒ **Financing Gap:** ☐ **Target Area:** ☒
Recommended By:	Gerald Manhard and Daryl Spulecki
Loan Committee Vote:	**Unanimously Approved:** ☒ **Declined:** ☐
Date: 7/22/2026	**Signatures:**

I. Background:

Akron Community Pharmacy, Inc. is a retail pharmacy located in a former Rite Aid store in Akron, NY that closed in May 2025. The business is focused on the town of Akron and surrounding community to fill a critical need in an area that does not have a pharmacy within 10 to 15 miles. By opening the pharmacy, the company is rescuing the area from becoming a pharmacy desert and ensuring vulnerable populations have immediate access to life-saving medications. Additionally, this project is a vital public-private partnership aimed at keeping essential healthcare services and local jobs.

The pharmacy incorporated in June 2025, with the Front End of the store (retail) opening in December 2025. The pharmacy officially opened in February 2026 after receiving the required permits and licensing from the DEA, Department of Health, New York State Sales tax, NYS Retail Food Store license, Nursery Dealer License, and NYS liquor licenses. The company replaces the void left by Rite Aid closing in early 2025 when approximately 70 Rite Aid Stores closed in Western New York leaving a pharmacy void and approximately 745 employees unemployed, including pharmacists, pharmacy technicians, store employees, and managers. Akron Community Pharmacy has stepped in to mitigate this local economic fallout.

Key operational activities will include prescriptions, health, and beauty, over the counter medicines, medical supplies and aids, immunizations, and convenience items including refrigerated products (milk, soft drinks, beer). They also sell items from local companies such as The Pink Cow Ice Cream Shop, Henry's Candy & Gifts, and The Ghost and Buffalo Apparel Company. They will also offer blister packs and Medication Therapy Management where the pharmacists will follow up with customers on medications they are taking and their progress. This service is billable to insurance companies. They have implemented a dedicated prescription delivery service specifically for homebound patients, ensuring that elderly residents and those with limited mobility have safe, consistent access to their medications. Additionally, they are outfitting dedicated clinical space to expand their immunization services protecting the community against preventable diseases.

The pharmacy is located at 12983 Main St. Akron, NY 14001 and is owned by Dr. Padmaja Kumar (75%), Craig Collins (12.5%), and Patrick McCullor (12.5%). The property is owned and leased by Benderson Development.

II. Project Description:

Akron Community Pharmacy, Inc. is requesting a $1,500,000 RDC Business Term Loan for working capital that will provide long term stability for the project. The funds will be disbursed over a 1-year period as needed, with the outstanding loan balance being termed out into a 9-year term loan. The proposed loan structure will provide some oversight and limit any unnecessary business debt. When drawn, the loan proceeds will be strategically allocated across two main pillars:

1. Payroll for job retention and creation. Eighteen (18) FTE employment positions, to date, are being saved after the closing of all Rite Aid Pharmacies. This will enable residents to remain employed and prevent pharmacists critical to the health care needs of our community from leaving the area.
2. Service expansion by funding the roll-out of their homebound patient delivery infrastructure and a comprehensive immunization clinic.

The total project cost is $2,900,000. The applicant will be injecting $1,400,000 of equity, or 41% into the project with uses described on page 1. Some of the Owner Equity will be on-going to help sustain the pharmacy as well as part of a strategic investment by the owners. The former Rite Aid Pharmacy in Akron was ranked 5th out of all WNY stores with sales totaling $8 million annually. The RDC received a bank declination letter from Alden State Bank.

III. Company Management:

Akron Community Pharmacy, Inc. is owned by Padmaja 75%, Craig Collins 12.5% and Patrick McCCullor 12.5%.

Dr. Padmaja Kumor President/CEO:

- Owns and operates Alden Medical Group with husband Dr. Yellamraju since 1998.
- Overseas all store/pharmacy operations.
- Oversee the accounting/books with Craig Collins.
- Oversee medical billing.

Craig Collins COO:

- Store Manager.
- 42 years' store Management experience with the last 15 as a Rite Aid District Manager.
- Oversee the operations of the front end of the store.

Patrick McCullor Supervising Pharmacist:

- 28 years' experience as a community pharmacist in Alden and Batavia Rite Aids.
- He supervisors a staff of 3 pharmacists.

IV. Financial Analysis: (See Schedule A):

- The interim financial statements from January 1 – May 31, 2026, do not show sufficient cash flow to cover the existing and proposed debt service of the company. This was due to the startup nature of the company as they are in the process of accepting prescriptions and creating awareness of the store's opening.
- The sales figures for February, March, April, and May show a steady increase which is projected to continue. Additionally, the pharmacy is in the process of getting Medicaid approval which will bring in an estimated 2,000 more prescriptions a month in addition to current volumes.

Projections (2026-2028)

- Projected sales and profit are reasonable based on historical sales from the former Rite Aid store.
- Revenue for projected Year End 2026 is based on the startup of the pharmacy and retail operation. Approval of accepting Medicaid for prescriptions is not anticipated until August or September 2026 and will increase revenue significantly. However, a loss for 2026 is being projected.
- Projected revenue for 2027 is estimated to almost double 2026's revenue and produce sufficient cash flow to service the RDC Debt. Projected year 2028 Revenue will grow by 15% and should continue to generate sufficient income to service the RDC debt.

- Reasons for the increase in sales for the projected years are due to increased prescription activity as the company rolls out marketing and advertising. Approval of the pharmacy's Medicaid License should generate an additional 2,000 prescriptions per month, plus help increase retail sales as well. The addition of various services including a dedicated prescription delivery program, immunization services, and Medication Therapy Management will contribute to the overall increase in revenue.
- The projections are based on reasonable assumptions and historical sales of the former Rite Aid store. The average net profit margin for independent pharmacies nationally is 2% to 4%. The company is projecting to attain these margins in 2027 and 2028.
- Global cash flow (business plus personal income) is sufficient to cover the proposed debt as Dr. Padmaja Kumor's and her husband, Dr. Yellamraju Kumar earn salaries from the Alden Medical Practice.

V. Business Credit Report:

- No business credit was found.

Searches:

- Searches of the Erie County Clerks website, the Erie County Real Property Tax Services website, the NYS Unified Court System website, New York State Tax Warrant search, New York Department of State website, and Google resulted in no negative findings or red flags on either business or guarantor.
- The business property and guarantors' personal residences are current on all taxes per search of the Erie County Real Property Tax Services website.

VI. Guarantors:

- Dr. Padmaja Kumar and Dr. Yellamraju Kumar (husband and wife) both have excellent personal credit with no derogatory comments noted.
- The guarantors have accumulated a meaningful net worth that if the need should arise, could help support the pharmacy and RDC loan.

VII. Global Cash Flow Inclusive of Guarantors and Business Debts:

- Both Dr. Padmaja Kumar and Yellamraju Kumar will continue to work at the Alden Medical Group in addition to managing the pharmacy. Their salaries will help support the pharmacy until the operation becomes self-supportive. The Medical practice is well-established and has been in existence for 25+ years.
- The combined cash flow from the company and personal guarantors is more than sufficient to service all debt requirements, including the RDC loan.

VII. Collateral Analysis:

- The RDC will have a 1^{st} lien on all business assets of the company.

IX. Job Creation:

- The loan will enable the business to create a minimum of 4 FT employment positions and retain 18 FTE employment positions upon completion of the project. Most of the positions in the store will pay between $18-20 per hour and are retail oriented in nature, plus benefits. They will also have 3 pharmacists and a store manager earning $100k plus annually. All Employees currently live within the surrounding community.
- The owners hope to retain most of the former pharmacists and employees to prevent them from leaving the area to find work. The loss of these pharmacists would add to the growing shortage of pharmacists in the WNY medical community.
- The pharmacy is using local vendors to supply most of the store's inventory and help other small businesses employ and hire people.

X. Strengths:

Strengths:

- The business will fill a critical pharmaceutical need in Northern Erie County, provide access to medical care for vulnerable populations, and re-employ local pharmacists and retail workers.
- The projections appear to be reasonable and based on historical sales of the former Rite Aid Store.
- Global cash flow is sufficient to repay the proposed debt.
- Guarantors have excellent personal credit and net worth.
- The re-employment of 22 individuals who recently lost their jobs.
- Owners and management have many years of experience in the industry.

XI. Recommendation/Terms:

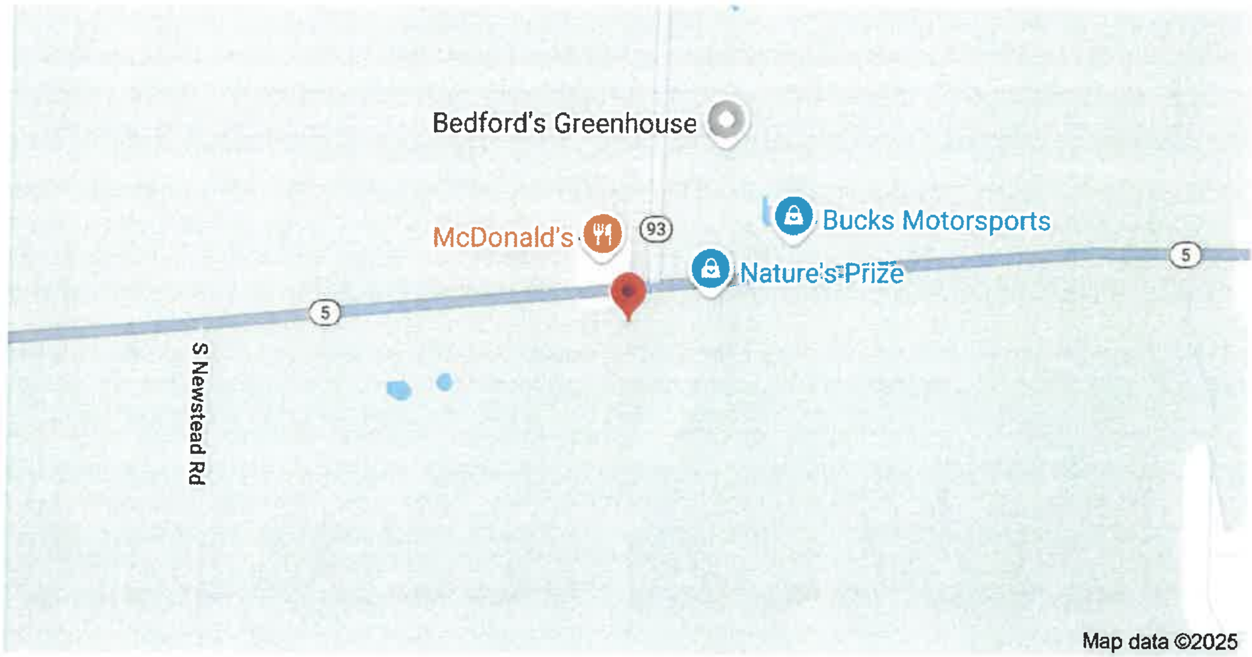
Based on the above-mentioned analysis and the unanimous recommendation of the RDC Loan Committee, it is recommended the $1,500,000 RDC loan request be approved based on the following terms:

Loan Amount:	$1,500,000
Interest Rate:	3%
Loan Amortization:	108 months (9 years).
Loan Term:	120 months (10 years). The loan will have a 1-year draw period requiring monthly interest only payments on the outstanding loan balance. Starting in year 2 and continuing through year 10, monthly principal and interest payments are based on the outstanding loan balance at the end of year 1, and a 9-year amortization schedule.
Monthly P&I payment:	$15,865.41
Commitment Fee:	$7,500

Loan will be funded with Proceeds from the RDC Legacy Loan Fund.

Security/Collateral:

- 1st lien on all business assets.
- Unlimited personal guarantees of Padmaja Kumar and Yellamraju. Kumar.


Bedford's Greenhouse
McDonald's
93
Bucks Motorsports
Nature's Prize
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AKRON COMMUNITY PHARMACY


HEALTH

COUNTY OF ERIE

MARK C. POLONCARZ
COUNTY EXECUTIVE

July 2, 2026

Buffalo & Erie County Regional Development Corp.
95 Perry Street
Suite 403
Buffalo, NY 14203

RE: Support for Akron Community Pharmacy

Dear RDC Loan Committee and fellow RDC Board Members:

I am writing to express my support for the $1.5 million loan application submitted to this body by Akron Community Pharmacy. Dr. Ravi Kumar and his wife, Padma Kumar, are undertaking the noble and difficult effort to provide pharmacy services for a rural community in Erie County. I have no doubt that you are all aware of the struggles local retail pharmacies are facing in our increasingly on-demand, door-step delivery age against the headwinds of Amazon and Walmart. In more urbanized areas, and especially in rural communities, we risk the emergence of more "pharmacy deserts," and Dr. Kumar is seeking to provide a community benefit which we should all applaud. Access to prescriptions is an essential service.

While more challenging and complex than the traditional projects which come before the RDC seeking financing, Akron Community Pharmacy is a worthy endeavor. I hope you will join me in supporting this project.

Sincerely,

Mark C. Poloncarz, Esq.
Erie County Executive

MCP/zme

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RDC REGIONAL DEVELOPMENT CORPORATION

RDC Loan Analysis

Borrower:	Herbert F. Darling Inc & DarDrill, Inc. (co-borrowers)	**Structure:**	S-Corp's	**Year Established:**	1967
Address:	531 Filmore Ave.	**City:**	Tonawanda	**Zip:**	14150
Website:	https://www.hfdarling.com/	**NAICS:**	237990	**SIC:**	1629
Loan Amount:	$850,000	**Interest Rate:**	4%	**Term:**	84 Months
Monthly Payment:	$11,618.49	**Contact Name:**	Matthew Winfield	**Site Visit:**	6/23/2026
Purpose:	Business Acquisition	**Jobs Existing:**	26 FTE	**Jobs to be created**	0

SOURCES AND USES

Sources:	**Amount**	**% of Project**
RDC	$850,000	22%
Canal Bank TL	$2,000,000	53%
Seller Held Note	$800,000	21%
Equity	$150,000	4%
Total Sources	$3,800,000	100%
Uses:	**Amount**	
RDC TL:		
Business Acquisition	$850,000	22%
Canal Bank		
Business Acquisition	$2,000,000	53%
Seller Held Note		
Business Acquisition	$800,000	21%
Equity		
Business Acquisition	$150,000	4%
Total Uses	$3,800,000	100%
Dollars leveraged	$2,950,000	78%

COLLATERAL AND SECURITY

Collateral:	Subordinate lien on all business assets; subordinate lien on a life insurance policy in the name of Matthew R. Winfield
Guarantors:	Unlimited personal guarantee from Matthew R. Winfield

SUPPLEMENTAL INFORMATION

Fund Criteria:	**Job Creation:** ☒ **Job Retention** ☒ **Target Industry:** ☒ **MBE:** ☐
Eligibility:	**Bank Declination:** ☒ **Financing Gap:** ☒ **Target Area:** ☐
Recommended By:	Gerald Manhard and Daryl Spulecki
Loan Committee Vote:	**Unanimously Approved:** ☒ **Declined:** ☐
Date: 7/22/2026	**Signatures:**

I. Background:

Herbert F. Darling Inc. & DarDrill, Inc. specialize in deep foundations, earth retention, and marine services. Both companies offer their own in-house engineering team, which sets them apart from their competition in Western New York and can often save customers 5%–10% on overall costs. Herbert F. Darling operates primarily as a deep foundation and marine construction company and provides three core types of services. Approximately 40% of revenues are generated from deep foundations, which involve driving vertical structural columns into the ground to create stable foundations for structures. Another 40% of revenues are derived from earth retention, which includes the design and implementation of temporary support structures to stabilize excavations, structures, or materials during construction, renovation, or demolition. The remaining 20% of work involves marine services, including bulkheads (retaining walls).

DarDrill is often utilized for the same projects; however, it is primarily engaged to construct caissons, which are watertight underwater chambers used for underwater construction. Caissons represent approximately 75% of DarDrill's work, with the remaining 25% consisting of soldier piles—steel H-piles driven into the earth during marine construction. The companies' work is typically related to electrical substations, solar farms, and other electrical infrastructure projects.

Herbert F. Darling and DarDrill, Inc. operate their own fleet of tugs and barges, which support marine construction activities including bulkheads, retaining walls, bridge piers, and sheeting cells.

Both companies primarily operate as subcontractors for large construction firms such as Mark Cerrone, The Pike Company, Scott Lawn, Kulbacks, Christa Construction, Union Concrete Construction, and Oak Grove Construction. Projects often span several months and are billed through progress payments as work is completed. Operations are concentrated in Western and Central New York, while DarDrill also undertakes projects in Eastern New York and the Watertown area due to its specialized utility-related work.

Most supplies used are steel, sourced primarily from local providers such as Skyline and Upstate Steel, which subjects the companies to short-term fluctuations in steel pricing. Management estimates that the companies may be working on as many as 50 jobs at any given time. Herbert F. Darling and DarDrill, Inc. have been in business for approximately 89 years and represent third-generation family ownership. They are the only local contractor with an in-house engineering team, which allows them to reduce overall project pricing by approximately 5%–10%. Local competitors include Ferraro Piling and Shoring in Buffalo and Empire Building Diagnostics, Inc. (earth retention).

The Company recently performed work at the Bills Stadium and installed over 200 rock anchors; Marine Drive Apartments; Heritage Point; and North Auditorium project to name a few larger projects.

Herbert F. Darling Inc. and DarDrill Inc. are both owned 100% by Matthew R. Winfield. The companies are located at 531 Filmore Ave. Tonawanda NY 14150.

II. Project Description:

Herbert F. Darling Inc & DarDrill, Inc. are applying for an $850,000 RDC Business Term Loan for the buyout of a union specialty construction company, Herbert F. Darling, Inc. and DarDrill, Inc. The companies are currently owned by Herb Darling III and Thomas Weaver (brother-in-law). Both individuals are in their mid-to-late 60s and ready to fully retire. Herb Darling and Tom Weaver want the companies to remain local, ensure employees do not lose their jobs, preserve the Darling name and history, and are the primary reasons they are selling both companies to Matthew R. Winfield. Both companies operate in a unique industry with few competitors due to the high barriers to entry including the specialized nature of the work and the cost of the equipment.

The purchase will be completed via stock purchase agreement(s). The companies will remain union shops under the existing union contracts. The stock purchase agreements contain several unique provisions that both protect the Borrower and strengthen the overall transaction

The total project cost is $3,800,000 with the new ownership injecting $150,000; Canal Bank providing a $2,000,000 Term Loan; an RDC term loan of $850,000, and the seller is holding a $800,000 note. Canal Bank could not provide all the financing for the project due to risks associated with the change of ownership and Bank credit policies.

III. Company Management:

Herbert F. Darling Inc & DarDrill, Inc will be owned 100% by Matthew R. Winfield. He was hired in December 2022 following a national search to identify a general manager with potential to assume ownership of the companies. Mr. Winfield is a geologist with a master's degree in engineering and previously owned a geotechnical drilling company in Portland, Oregon before returning to Western New York. He has been employed in the industry in management or ownership capacity since 2008. In 2022, he became the general manager of Herbert F. Darling and DarDrill, a position he continues to hold today. Mr. Winfield holds a bachelor's degree in geology and economics, as well as a master's degree in business management.

IV. Financial Analysis: (See Schedule A):

- Sales have steadily increased from YE 2022 to YE 2025. The increase in revenues can be attributed to Matthew Winfield's operational leadership of the company and ability to capture more work. There was a healthy increase in sales for 2025 due to the company performing work for a National Grid project. The entity is a prequalified subcontractor for National Grid.
- Historical financial statements for 2023, 2024, and 2025 indicate sufficient cash flow to service the existing and proposed debt. The improvement in cash flow was primarily driven by Matthew Winfield's change in company policy where the practice of letting the general contractor purchase the materials rather than the operating companies led to improved profit margins.
- The company is subject to revenue seasonality due to much of their business involving water-related projects in WNY. Many of these projects cannot be worked on during the winter months.
- The company has generated a significant backlog of projects which is projected to generate revenue that exceeds 2025 revenue levels.
- Projected sales for the company are based on reasonable assumptions and historic growth patterns. They generate sufficient cash flow to service the RDC debt as well as all company debt. Increased sales are attributed to focusing on different markets, such as drilling for electrical substations. The company has also added new product/service offerings in WNY markets including Stelcor drilled micropiles and hollow-bar tiebacks.

V. Business Credit Reports:

- The Equifax business credit report for both companies revealed all trade lines were paid as agreed with no derogatory remarks noted.

Searches:

- Searches of the Erie County Clerks website, the Erie County Real Property Tax Services website, the NYS Unified Court System website, New York State Tax Warrant search, New York Department of State website, and Google resulted in no negative findings or red flags on either business or guarantor.
- The business property and guarantors' personal residences are current on all taxes per search of the Erie County Real Property Tax Services website.

VI. **Guarantor:**

- Matthew Winfield's credit report indicates excellent credit with all personal credit facilities being paid as agreed with no derogatory comments noted.
- Mr. Winfield has accumulated a meaningful net worth that will help support the RDC loan.

VII. **Collateral Analysis:**

- RDC will have a subordinate lien, behind Canal Bank on all business assets.
- Based on the collateral evaluation of the equipment, the RDC should be adequately secured.
- RDC will have a subordinate lien on a Life Insurance Policy in the name of Matther R. Winfield.

VIII. **Job Creation:**

- The RDC's participation in this project will help preserve 40 FT positions. Most of the jobs are union positions and account for 70% of the workforce. All field positions are union employees and are sourced from Local 17 and Local 158 (operating engineers), and Local 276 (Carpenters). Depending on the position, salaries for this work range from $45-65/hr. plus fringe benefits of $35/hr. The company also has 12 non-union positions with most of these positions paying more than $100,000.
- The company does not anticipate any new positions over the next year. However, if a portion of their construction bids are successful, there could be a need for another 5+ employees over the next few years.

IX. **Strengths:**

Strengths:

- Historically, business can adequately service all existing company debt and the proposed RDC loan.
- Guarantor has been the general manager of the company since 2022.
- Thomas Weaver, the current owner, will remain as temporary CFO for the next year.
- The company has been in operation since 1967.
- Guarantor has excellent personal credit and a meaningful net worth.
- The retention of 26 FT employment positions which would be lost if it were not for the RDC's participation in this project.

X. Recommendation:

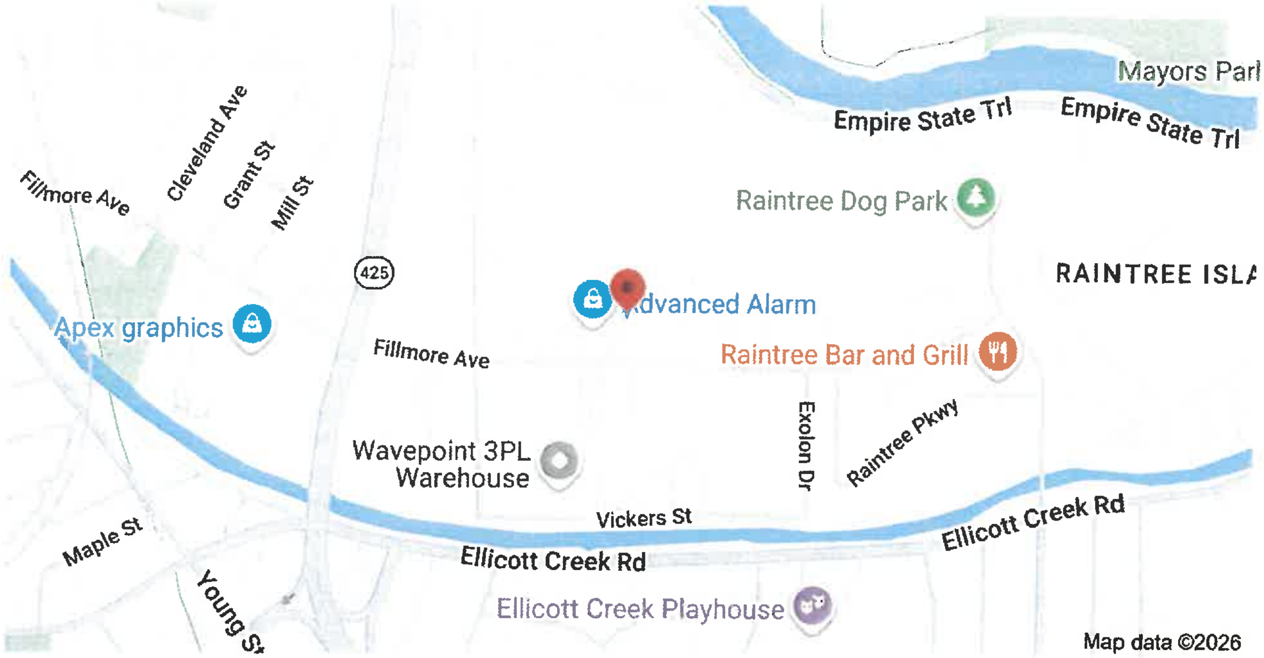
Based on the above-mentioned analysis it is recommended that the $850,000 RDC loan be approved of the following terms:

Loan Amount:	$850,000
Interest Rate:	4% - fixed.
Loan Amortization:	84 months.
Loan Term:	84 months.
Monthly P&I payment:	$11,618.49
Commitment Fee:	$4,250

Loan proceeds will be funded from the RDC CARES Act RLF.

Security/Collateral:

- Subordinate lien on all business assets.
- Unlimited personal guarantee from Matthew Winfield.
- Subordinate lien on a life insurance policy i/n/o Matthew R. Winfield.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Grant St
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425
Advanced Alarm
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