



**Buffalo and Erie County Industrial Land Development Corporation
Board of Directors Meeting
October 24, 2018
@ 8:45 a.m.
95 Perry Street
4th Floor – Vista Room
Buffalo, New York 14203**

1.0 Call to Order

2.0 Approval of Minutes

2.1 Approval of the September 26, 2018 Meeting of the Membership (Pages)

3.0 Reports / Action Items / Information Items:

3.1 Financial Report (Pages)

3.2 Budget Timetable (Page)

3.3 Approval of 2019 Operating Budget (Pages)

3.4 Buffalo Niagara Medical Campus Bond Amendment (Pages)

4.0 Management Team Report:

5.0 Adjournment - Next Meeting November 28, 2018 at 8:45 a.m.

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS
OF THE
BUFFALO AND ERIE COUNTY
INDUSTRIAL LAND DEVELOPMENT CORPORATION
(ILDC)**

- DATE AND PLACE:** September 26, 2018, at the Erie County Industrial Development Agency, 95 Perry Street, 4th Floor Conference Room, Buffalo, New York 14203
- PRESENT:** Richard Lipsitz, Jr., John J. Mudie, Hon. Peter J. Savage, III and Maria Whyte
- EXCUSED:** Hon. Byron W. Brown, Hon. Patrick Burke and Hon. Mark C. Poloncarz
- OTHERS PRESENT:** Steve Weathers, Chief Executive Officer; John Cappellino, Executive Vice President; Mollie Profic, Chief Financial Officer; Karen M. Fiala, Assistant Treasurer and Robert G. Murray, Secretary

There being a quorum present at 8:45 a.m., the Meeting of the Board of Directors of the Buffalo and Erie County Industrial Land Development Corporation was called to order by Mr. Lipsitz who presided over the meeting in the absence of Chair Poloncarz.

MINUTES

Upon motion made by Ms. Whyte, and seconded by Mr. Savage, the August 22, 2018 minutes of the Board of Directors of the Buffalo and Erie County Industrial Land Development Corporation (“ILDC”) meeting were unanimously approved.

REPORTS / ACTION ITEMS / INFORMATION ITEMS

Financial Report. Ms. Profic reviewed the financial statements, noting that the ILDC ended the month with total assets of \$7.1 million and net assets of \$6.7 million. There were no significant fluctuations in assets during the month, and under liabilities, the amount due to the ECIDA increased due to funds granted from the ECIDA’s UDAG fund to cover grant reimbursable costs. The monthly income statement shows revenue of \$47,000, expenses of \$51,000, and offsetting special project grant income and expenses of \$53,000, for a net loss of \$4,000 in August. August revenue includes administrative fees for bond refinancing passed through to the ECIDA. The year to date income statement shows operating revenues of \$49,000, expenses of \$118,000, plus net grant income of \$80,000, for net income of \$11,000 so far this year. The ILDC also received the first half of the CFA grant from New York State ESD on September 18th in the amount of \$1.39 million and has used those funds to reimburse the ECIDA’s UDAG fund. Mr. Lipsitz directed that the report be received and filed.

Proposed Budget Timetable. Ms. Profic reviewed the schedule for review and approval of the 2019 ILDC Budget which must be approved by November 1, 2018.

Review of 2019 Budget. Ms. Profic commented that revenue is budgeted at \$350 from loan interest income. Ms. Profic reminded members that bond issuance revenues are not included in the budget because bond issuances are unable to be predicted and this budget is prepared to be conservative. On the expense side, the budgeted amount for ECIDA management fees have been reduced and professional services for audit and legal fees have been increased. The special project revenue and expense budget for 2019 includes \$1.39 million of reimbursement from the New York State ESD \$2.78 million grant for the Bethlehem Steel land acquisition, which will be reimbursed to the ECIDA's UDAG fund. Another \$200,000 grant from the ECIDA is budgeted for purposes of paying the carrying costs related to the Bethlehem Steel property. There is also \$509,000 of offsetting grant revenue and expense for the Bethlehem Steel master plan/GEIS project. This leads to a budgeted net loss of \$33,000 for 2019. Ms. Profic then reviewed the proposed three-year forecast noting that land sale revenues related to the Bethlehem Steel site are projected to be received in 2020-2022. Ms. Profic then encouraged members to reach out to ILDC staff with any questions regarding the budget. In addition, Ms. Whyte informed members that the ILDC is in negotiations with Tecumseh to purchase up to an additional 90 acres of real property at the Bethlehem Steel site. Mr. Lipsitz directed that the report be received and filed.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 8:52 a.m.

Dated: September 26, 2018

Robert G. Murray, Secretary

Industrial Land Development Corp.

Financial Statements
As of September 30, 2018

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")

Balance Sheet

September 30, 2018

| | September 2018 | August 2018 | December 2017 |
|--------------------------------------|-------------------|----------------|------------------|
| ASSETS: | | | |
| Restricted Cash * | \$ 217,465 | \$ 224,245 | \$ 245,815 |
| Grants Receivable | 362,500 | 362,500 | 362,500 |
| Loans Receivable, net | 20,995 | 21,564 | 26,058 |
| Loan Interest Receivable | 45 | 45 | 45 |
| Total Loan Assets | 21,040 | 21,609 | 26,103 |
| Fixed Assets | 6,530,672 | 6,530,672 | 6,530,672 |
| Total Assets | \$ 7,131,676 | \$ 7,139,025 | \$ 7,165,090 |
| LIABILITIES & NET ASSETS: | | | |
| Accounts Payable | \$ 3,000 | \$ 3,000 | \$ 17,048 |
| Due to/(from) ECIDA | 53,620 | 52,938 | 22,609 |
| Other Liabilities | 338,551 | 339,012 | 392,527 |
| Total Liabilities | 395,171 | 394,950 | 432,184 |
| Restricted Fund Balance | 6,736,505 | 6,744,075 | 6,732,906 |
| Total Liabilities & Net Assets | \$ 7,131,676 | \$ 7,139,025 | \$ 7,165,090 |

| | September 2018 | August 2018 | December 2017 |
|----------------------------------|-------------------|-------------|------------------|
| * Loan Portfolio Summary: | | | |
| # of Loans | 1 | 1 | 1 |

* Cash is invested in interest bearing accounts at M&T Bank.
The maximum FDIC insured amount is \$250,000 with the remainder collateralized with government obligations by the financial institution.

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")

Income Statement Month of September 2018

| | Actual vs. Budget | | |
|--|-------------------|-------------------|-------------------|
| | Actual | Budget | Variance |
| REVENUES: | | | |
| Interest Income - Loans | \$ 34 | \$ 42 | \$ (8) |
| Interest Income - Cash & Inv. | 4 | - | 4 |
| Total Revenues | <u>38</u> | <u>42</u> | <u>(4)</u> |
| EXPENSES: | | | |
| Management Fee - ECIDA | \$ 167 | \$ 2,417 | (2,250) |
| Professional Services | 6,925 | 317 | 6,609 |
| General Office Expenses | 515 | - | 515 |
| Other Expenses | - | 229 | (229) |
| Total Expenses | <u>7,607</u> | <u>2,963</u> | <u>4,645</u> |
| SPECIAL PROJECT GRANTS: | | | |
| Industrial Land Park - ESD | 1,390,000 | - | 1,390,000 |
| Industrial Land Park grant reimbursement | (1,390,000) | - | (1,390,000) |
| Other grant revenue | 466 | - | 466 |
| Other grant expenses | (466) | - | (466) |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| NET INCOME/(LOSS): | <u>\$ (7,570)</u> | <u>\$ (2,921)</u> | <u>\$ (4,649)</u> |

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to ILDC. The amount booked is currently based on budget.

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")

Income Statement

Year to Date: September 30, 2018

| | Actual vs. Budget | | | Actual vs. Prior Year | | |
|--|-------------------|--------------------|------------------|-----------------------|---------------------|-----------------------|
| | Actual | Budget | Variance | Actual | Prior Year | Variance |
| REVENUES: | | | | | | |
| Interest Income - Loans | \$ 359 | \$ 375 | \$ (16) | \$ 359 | \$ 451 | \$ (92) |
| Interest Income - Cash & Inv. | 9 | - | 9 | 9 | - | 9 |
| Other Income | 48,750 | - | 48,750 | 48,750 | 485,885 | (437,135) |
| Total Revenues | <u>49,117</u> | <u>375</u> | <u>48,742</u> | <u>49,117</u> | <u>486,336</u> | <u>(437,218)</u> |
| EXPENSES: | | | | | | |
| Management Fee - ECIDA | \$ 50,253 | \$ 21,750 | 28,503 | \$ 50,253 | \$ 484,059 | \$ (433,806) |
| Professional Services | 44,651 | 2,850 | 41,801 | 44,651 | 131,732 | (87,081) |
| General Office Expenses | 515 | - | 515 | 515 | - | 515 |
| Other Expenses | 30,099 | 2,063 | 28,037 | 30,099 | 5,876 | 24,223 |
| Total Expenses | <u>125,518</u> | <u>26,663</u> | <u>98,855</u> | <u>125,518</u> | <u>621,667</u> | <u>(496,149)</u> |
| SPECIAL PROJECT GRANTS: | | | | | | |
| Industrial Land Park - ESD | 1,390,000 | - | 1,390,000 | 1,390,000 | - | 1,390,000 |
| Industrial Land Park - ECIDA | 80,000 | - | 80,000 | 80,000 | - | 80,000 |
| Industrial Land Park grant reimbursement | (1,390,000) | - | (1,390,000) | (1,390,000) | - | (1,390,000) |
| Other grant revenue | 53,974 | - | 53,974 | 53,974 | 4,635,190 | (4,581,216) |
| Other grant expenses | (53,974) | - | (53,974) | (53,974) | - | (53,974) |
| | <u>80,000</u> | <u>-</u> | <u>80,000</u> | <u>80,000</u> | <u>4,635,190</u> | <u>(4,555,190)</u> |
| NET INCOME/(LOSS): | <u>\$ 3,599</u> | <u>\$ (26,288)</u> | <u>\$ 29,887</u> | <u>\$ 3,599</u> | <u>\$ 4,499,859</u> | <u>\$ (4,496,259)</u> |

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (ECIDA)
 BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORP (RDC)
 BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORP (ILDC)**

2019 Budget Review

| <u>Date</u> | <u>Description</u> | |
|---------------------------------------|---|-----|
| July-August | Review of draft 2019 budgets by ECIDA management. (a) Prioritize any proposed budget requests for initiatives. (b) Formal budget requests compiled. | ✓ |
| September 10 th | Finance & Audit Committee review/approval of proposed budgets. | ✓ |
| September 26 th | Formal review of 2019 draft budgets at Board meetings. | ✓ |
| October 9 th (10:00 am) | Board Q&A budget session #1 (voluntary). | ✓ |
| October 15 th (2:00 pm) | Board Q&A budget session #2 (voluntary). | ✓ |
| October 17 th | Adjustments to budget based on Board feedback and Finance & Audit Committee approval of final budgets (<i>if necessary</i>). | N/A |
| October 24 th | Board meeting – action to approve final 2019 budgets. | |
| November 1 st | Deadline for final approved budget to be submitted to the ABO. | |

Industrial Land Development Corp
Proposed 2019 Budget

Industrial Land Development Corporation (ILDC)

2019 Budget + 3 Year Forecast

The Industrial Land Development Corporation (“ILDC”) consists of two sub-funds (Erie County’s Business Development Fund (“BDF”) and a general fund). The ILDC administers the BDF loan fund on behalf of Erie County for HUD-eligible small businesses that would not otherwise be able to obtain such financing from commercial sources. The ILDC also issues tax-exempt bonds on behalf of various not-for-profit organizations in Erie County.

A. Overview of Changes in 2019 Budget:

The following summarizes the key changes between the 2019 budget and the projected 2018 results:

- The decrease in both Other Income and ECIDA Management Fee is due to the fact that in 2018, the ILDC received income from issuing tax-exempt debt that is paid to the ECIDA under a shared services agreement as compensation for the services ECIDA performs. No such fee income is budgeted in the ILDC for 2019 due to the unpredictable nature of bond issuances.
- The Special Projects section of the budget relates to grants for the Bethlehem Steel property purchased in 2017 and others related to the Master Plan and GEIS of the property. ILDC was granted \$2.78 million to offset the cost of the land purchase, half of which was received and reimbursed to ECIDA in 2018. The second half is expected in 2019. \$200,000 is budgeted to be used in 2019 for carrying costs related to the property, which will be granted by ECIDA’s UDAG fund. The Master Plan is expected to be completed in the first half of 2019.

B. Summary of Risk Factors impacting the 2019 Budget:

The following significant risk factors may influence the 2019 budget:

1. Due to numerous uncertainties, the value of collateral, guarantees, etc., the ILDC may experience loan losses that are currently not included in the budget.
2. In the past, the ILDC has generated fee income from issuing tax-exempt debt. These monies are received directly by ILDC and then paid to ECIDA. However, due to the infrequent nature of these activities, and the uncertainty as to when such transactions will occur, ILDC has not included any bond closings in the 2019 budget. It is possible a tax-exempt bond is issued within the next year and both income and expenses will be recognized, accordingly.

BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")
Proposed Budget for 2019

| | Proposed Budget 2019 | Approved Budget 2018 | Projected 2018 | Actual 2017 |
|--|-------------------------------------|-------------------------------------|---------------------------|------------------------|
| REVENUES: | | | | |
| Interest Income - Loans | \$ 350 | \$ 500 | \$ 492 | \$ 614 |
| Interest Income - Cash & Investments | 10 | - | 6 | - |
| Other Income | - | - | 83,750 | 485,885 |
| Total Revenues | 360 | 500 | 84,248 | 486,499 |
| EXPENSES: | | | | |
| ECIDA Management Fee* | \$ 28,000 | \$ 29,000 | 87,183 | \$ 506,197 |
| Professional Services | 23,000 | 3,800 | 49,467 | 18,693 |
| Other Expenses | 2,625 | 2,750 | 51,599 | 1,579 |
| Total Expenses | 53,625 | 35,550 | 188,249 | 526,469 |
| SPECIAL PROJECTS: | | | | |
| Industrial Land Park - ESD grant | 1,390,000 | 1,400,000 | 1,390,000 | - |
| Industrial Land Park - ECIDA grant | 200,000 | 200,000 | 200,000 | 6,519,542 |
| Industrial Land Park grant reimbursement | (1,390,000) | (1,400,000) | (1,390,000) | - |
| Industrial Land Park costs | (200,000) | (200,000) | (200,000) | - |
| Other grant revenue | 509,657 | - | 200,000 | - |
| Other grant expenses | (509,657) | - | (200,000) | - |
| | - | - | - | 6,519,542 |
| NET INCOME/(LOSS): | \$ (53,265) | \$ (35,050) | \$ (104,001) | \$ 6,479,572 |

* Represents an allocation of salary and benefit costs from the ECIDA based on staff time charged to the ILDC.

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")
Proposed Three Year Forecast 2020-2022

| | Proposed Budget 2019 | Forecast 2020 | Forecast 2021 | Forecast 2022 |
|--|-------------------------------------|--------------------------|--------------------------|--------------------------|
| REVENUES: | | | | |
| Interest Income - Loans | \$ 350 | \$ 260 | \$ 155 | \$ 70 |
| Interest Income - Cash & Investments | 10 | 25 | 25 | 25 |
| Proceeds from Land Sales | - | 250,000 | 250,000 | 200,000 |
| Total Revenues | 360 | 250,285 | 250,180 | 200,095 |
| EXPENSES: | | | | |
| ECIDA Management Fee* | \$ 28,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 |
| Professional Services | 23,000 | 3,600 | 3,800 | 3,900 |
| Other Expenses | 2,625 | 2,500 | 4,000 | 5,000 |
| Total Expenses | 53,625 | 36,100 | 37,800 | 38,900 |
| SPECIAL PROJECTS: | | | | |
| Industrial Land Park - ESD grant | 1,390,000 | - | - | - |
| Industrial Land Park - ECIDA grant | 200,000 | 200,000 | 200,000 | 200,000 |
| Industrial Land Park grant reimbursement | (1,390,000) | - | - | - |
| Industrial Land Park costs | (200,000) | (200,000) | (200,000) | (200,000) |
| Other grant revenue | 509,657 | - | - | - |
| Other grant expenses | (509,657) | - | - | - |
| | - | - | - | - |
| NET INCOME/(LOSS): | \$ (53,265) | \$ 214,185 | \$ 212,380 | \$ 161,195 |

* Represents an allocation of salary and benefit costs from the ECIDA based on staff time charged to the ILDC.



TO: ILDC Board of Directors

FROM: John Cappellino, Executive Vice President

DATE: October 24, 2018

RE: Technical Amendments to the Bond Issuances for the 134 High Street, LLC 2010 Series A Bonds (Buffalo Niagara Medical Campus, Inc. Project) and the 2016 854 Ellicott St., LLC Series A and B Bonds (Buffalo Niagara Medical Campus, Inc. Project) Documents

BACKGROUND:

In 2010, the Buffalo and Erie County Industrial Land Development Corporation (“ILDC”) issued its tax-exempt 2010 Series A bonds in the amount of \$24,050,000 for a project which consisted of the construction and equipping of an 1,800 vehicle capacity parking ramp located at 134 High Street in the Buffalo Niagara Medical Campus Corridor.

In 2016 the ILDC issued its Series A bonds in the amount of \$37,053,762 and its Series B bonds in the amount of \$7,274,738 the proceeds of which were used for the demolition of an existing 155,100 sq. ft. parking garage and the construction and equipping of a 640,000 sq. ft. parking garage consisting of 1,825 parking spaces to accommodate the parking needs of Oishei Children’s Hospital and Jacobs School of Medical and Biomedical Sciences. This project is located at 854 Ellicott Street.

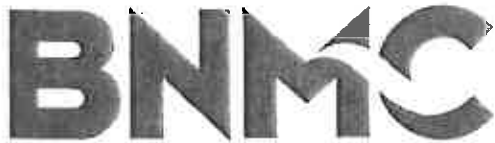
Post-closing items have arisen with respect to both bond issuances necessitating technical amendments to the documents.

ACTION REQUESTED:

134 High Street, LLC: The 2010 documents include a formula for adjustment of the interest rate on the bonds in the event of certain changes to the federal tax code (the federal corporate tax rate). The 2017 Tax Cuts and Jobs Act, which significantly lowered corporate tax rates, has triggered changes to the repayment terms causing an interest rate change with respect to these obligations. The company is seeking an opinion from bond counsel confirming that the amendment will not affect the federal tax-exempt status of the interest on the bonds. In order to

effect this change, the ILDC Board must authorize an amendment to the Bond Purchase Agreement that adjusts the denominator of the formula used to calculate the interest rate on the bonds. Prior to finalizing the documents, we are required to publish a notice and conduct a new public hearing.

854 Ellicott St., LLC: In the process of converting from the construction term to the permanent term on these bonds issued in 2016, it was discovered that the amortization schedule submitted to the IRS reflected certain interest rate and principal repayment assumptions which are no longer accurate based on current market conditions. The action requires a technical amendment to the documents. Prior to finalizing the documents, we are required to publish a notice and conduct a new public hearing.



BUFFALO NIAGARA MEDICAL CAMPUS

October 15, 2018

Via email

John C. Cappellino
Executive Vice President and Director of Business Development
Erie County Industrial Development Agency
275 Oak Street, Suite 150
Buffalo, NY 14203

Dear Mr. Cappellino:

Re: Buffalo and Erie County Industrial Land Development Corporation \$24,050,000 Tax-Exempt Revenue Bonds (Buffalo Niagara Medical Campus, Inc. Project) Series 2010A and Buffalo and Erie County Industrial Land Development Corporation \$44,328,500 Tax-Exempt Revenue Bonds (Buffalo Niagara Medical Campus, Inc. Project) Series 2016A and 2016B

I am writing on behalf of BNMC, in its capacity as sole member of 134 High Street, LLC and 854 Ellicott St., LLC, which are the respective borrowers on the above referenced bond issuances. Coincidentally, post-closing issues have arisen with respect to both bond issuances requiring technical amendments. The background necessitating these amendments are more specifically described as follows:

134 High Street

The bond documents executed at the 2010 closing of this transaction include a formula adjusting the interest rate on the bonds in the event of certain changes to the federal tax code (i.e. the federal corporate tax rate). In attempting to apply this formula to the interest rate on the bonds after the change in the corporate tax rate resulting from the 2017 Tax Cuts and Jobs Act, it was discovered that the formula contained a scrivener's error which necessitates an amendment to the bond documents. In conjunction with this amendment, the borrower and the bondholder are requesting an opinion from bond counsel confirming that the amendment will not affect the federal tax exempt status of the interest on the bonds. Bond counsel has indicated that in order to do provide such opinion, the ECILDC board must authorize the amendment, notice of a new TEFRA hearing must be published and the TEFRA hearing must subsequently be held.

Board Officers

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- Buffalo Hearing & Speech Center
- Buffalo Medical Group, PC
- Fruit Belt Neighborhood
- Hauptman-Woodward Medical Research Institute
- Kaleida Health
- Olnsted Center for Sight
- Roswell Park Cancer Institute
- University at Buffalo
- Unyts

854 Ellicott

In the process of converting from the construction term to the permanent term on these bonds issued in 2016, it was discovered that the amortization schedule submitted to the IRS as part of the Form 8038 on the bonds reflected certain interest rate and principal repayment assumptions which are no longer accurate based on current market conditions. The borrower and the bondholder have agreed to a corrected amortization schedule, necessitating an amendment to the bond documents. In conjunction with this amendment, the borrower and the bondholder are requesting an opinion from bond counsel confirming that the amendment will not affect the federal tax exempt status of the interest on the bonds. Bond counsel has indicated that in order to provide such opinion, the ECILDC board must authorize the amendment, notice of a new TEFRA hearing must be published and the TEFRA hearing must subsequently be held.

We respectfully request that these matters be placed on the agenda for consideration by the ECILDC at its next meeting. To the extent that the ECILDC or its bond counsel require any further information in order to facilitate this request, please let me know.

Best regards,

A handwritten signature in black ink, appearing to read "Patrick J. Kilcullen". The signature is fluid and cursive, written in a professional style.

Patrick J. Kilcullen
Chief Financial Officer

RESOLUTION

(Buffalo Niagara Medical Campus, Inc. Project)

A regular meeting of the Buffalo and Erie County Industrial Land Development Corporation was convened on October 24, 2018, at 8:45 a.m.

The following resolution was duly offered and seconded, to wit:

RESOLUTION AUTHORIZING THE FIRST AMENDMENT TO THE BOND PURCHASE AGREEMENT AND BUILDING LOAN AGREEMENT RELATING TO THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION TAX-EXEMPT REVENUE BONDS (BUFFALO NIAGARA MEDICAL CAMPUS, INC. PROJECT), SERIES 2016A AND 2016B, AND THE EXECUTION THEREOF AND OF RELATED DOCUMENTS.

WHEREAS, the **BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION** (the “Issuer”) is authorized and empowered by Section 1411 of the Not-for-Profit Corporation Law of the State of New York (the “State”), as amended (the “NFP Law”) and Resolution No. 218 of 2009 adopted by the Erie County Legislature (the “Legislature”) on July 24, 2009, as amended by Resolution No. 295 of 2009, adopted by the Legislature on November 19, 2009, Resolution Intro 5-3 (2010) adopted by the Legislature on March 25, 2010, and Resolution No. 110 of 2011, adopted by the Legislature on June 20, 2011 (collectively, the “County Resolutions”; and with the NFP Law, the “Enabling Act”), to relieve and reduce unemployment, promote and provide for additional and maximum employment, better and maintain job opportunities in Erie County (the “County”) and lessen the burdens of government and act in the public interest; and

WHEREAS, **854 ELLICOTT ST., LLC** (the “Company”), a wholly-owned subsidiary of Buffalo Niagara Medical Campus, Inc., a New York not-for-profit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), previously submitted an application to the Issuer requesting that the Issuer issue its (i) Tax-Exempt Revenue Bonds (Buffalo Niagara Medical Campus, Inc. Project), Series 2016A (the “Series 2016A Bonds”) in the aggregate principal amount of \$37,053,762 and (ii) Tax-Exempt Revenue Bonds (Buffalo Niagara Medical Campus, Inc. Project), Series 2016B (the “Series 2016B Bonds”; and, together with the Series 2016A Bonds, the “Bonds”) in the aggregate principal amount of \$7,274,738 for the purpose of paying a portion of the costs of the acquisition, renovation, construction and equipping of a project (the “Project”) to be undertaken by the Company on land to be ground leased by the City of Buffalo, New York (“Buffalo”) to the Company located at 854 Ellicott Street, Buffalo, New York (the “Land”), consisting of: (A) the demolition of the existing improvements located on the Land, consisting principally of an existing approximately 155,100 square-foot parking garage containing approximately 900 parking spaces; (B) the acquisition, construction and equipping on the Land of an approximately 640,000 square-foot parking garage containing approximately 1,825 parking spaces to accommodate the parking needs of Oishei Children’s Hospital and Jacobs School of Medical and

Biomedical Sciences (the “Improvements”); (C) the acquisition and installation in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the “Equipment”; and collectively with the Land and Improvements, the “Facility”); and (D) funding a debt service reserve fund, if any, and paying capitalized interest, if any, and paying of certain costs and expenses incidental to the issuance of the Bonds (the costs associated with items (A) through (D) above being hereinafter collectively referred to as the “Project Costs”); and

WHEREAS, **233 GENESEE STREET CORPORATION** (the “Purchaser”), pursuant to that certain Bond Purchase Agreement and Building Loan Contract, dated as of September 1, 2016 (the “Original Bond Purchase Agreement”; and as so amended and supplemented by the First Amendment to the Bond Purchase Agreement and Building Loan Contract dated as of October 1, 2018 (the “First Amendment”), the “Bond Purchase Agreement”) by and among the Issuer, the Purchaser, **MANUFACTURERS AND TRADERS TRUST COMPANY**, as agent for the Purchaser (the “Agent”), and the Company, agreed to purchase from the Issuer the Bonds, which were issued on September 9, 2016; and

WHEREAS, at the request of the Company and pursuant to Section 8.04 of the Bond Purchase Agreement and the terms and provisions of the Bond, the Issuer, the Purchaser, the Agent and the Company desire to amend the Original Bond Purchase Agreement and the Bond to attach to each an amortization schedule for principal payments on the Bonds, as pursuant to the First Amendment; and

WHEREAS, the Issuer desires to adopt a resolution approving the foregoing and authorizing the execution and delivery of certain documents in connection therewith.

NOW THEREFORE, BE IT RESOLVED by the Buffalo and Erie County Industrial Land Development Corporation as follows:

Section 1. The Issuer hereby authorizes principal be payable on the Bonds in accordance with the amortization schedule attached to the Bond Purchase Agreement as Schedule D and presented at this meeting, and such principal shall be paid to the Owner for the holders and disbursed by the Agent to each holder of the Bonds in accordance with their proportionate ownership share of the Bonds.

Section 2. The Issuer hereby approves the First Amendment to the Bond Purchase Agreement, substantially in the forms presented to this meeting, subject to such changes, omissions and additions thereto, as the Authorized Representative (as defined in the Bond Purchase Agreement) of the Issuer, acting individually, shall approve upon the advice of Bond Counsel and as shall be consistent with this Resolution. The Issuer hereby authorizes the Authorized Representative of the Issuer, acting individually, to execute and deliver the First Amendment to the Bond Purchase Agreement upon satisfaction of the following conditions:

- (a) The consent of the Purchaser and Agent to the First Amendment to the Bond Purchase Agreement shall have first been obtained; and

- (b) The execution and delivery of the First Amendment to the Bond Purchase Agreement by the Company, the Purchaser and the Agent shall have first been obtained.

Section 3. Any and all actions heretofore taken by the Issuer, for and on behalf of the Company, are hereby ratified, confirmed and approved in their entirety.

Section 4. No covenant, stipulation, obligation or agreement contained in this Resolution, the First Amendment to the Bond Purchase Agreement or any of the Bond Documents (as defined in the Bond Purchase Agreement) shall be deemed to be the covenant, stipulation, obligation or agreement of any member, director, officer, agent or employee of the Issuer in his or her individual capacity and neither the members or directors of the Issuer nor any officer executing the Bonds shall be personally liable on the Bonds or be subject to any personal liability or accountability by reason of the execution, issuance or delivery thereof.

Section 5. In addition to the authority hereinabove granted, the Authorized Representative of the Issuer is hereby authorized and directed, for and in the name and on behalf of the Issuer, to do and cause to be done any such other acts and things, to execute and deliver any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, and to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to in Section 3 of this Resolution, as such person determines may be necessary or desirable to consummate the transactions contemplated by this Resolution.

Section 6. A copy of this Resolution, together with documents presented at this meeting and referred to herein, shall be placed on file in the office of the Issuer where the same shall be available for public inspection during business hours.

Section 7. This Resolution shall take effect immediately.

Dated: October 24, 2018

STATE OF NEW YORK)
COUNTY OF ERIE) SS:

I, the undersigned, Secretary of the Buffalo and Erie County Industrial Land Development Corporation, DO HEREBY CERTIFY:

That I have compared the annexed extract of minutes of the meeting of the Buffalo and Erie County Industrial Land Development Corporation (the "ILDC"), including the resolution contained therein, held on October __, 2018, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the ILDC and of such resolution set forth therein and of the whole of said original insofar as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY, that all Directors of the ILDC had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with Article 7.

I FURTHER CERTIFY, that there was a quorum of the Directors of the ILDC present throughout said meeting.

I FURTHER CERTIFY, that as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the ILDC this 24 day of October, 2018.

Robert G. Murray
Secretary

[SEAL]

RESOLUTION

(Buffalo Niagara Medical Campus, Inc. Project)

A regular meeting of the Buffalo and Erie County Industrial Land Development Corporation was convened on October 24, 2018, at 8:45 a.m.

The following resolution was duly offered and seconded, to wit:

RESOLUTION AUTHORIZING AMENDMENT NO. 2 TO THE BOND PURCHASE AGREEMENT AND BUILDING LOAN CONTRACT RELATING TO THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION TAX-EXEMPT REVENUE BONDS (BUFFALO NIAGARA MEDICAL CAMPUS, INC. PROJECT), SERIES 2010 AND THE EXECUTION THEREOF AND OF RELATED DOCUMENTS.

WHEREAS, the **BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION** (the “Issuer”) is authorized and empowered by Section 1411 of the Not-for-Profit Corporation Law of the State of New York (the “State”), as amended (the “NFP Law”) and Resolution No. 218 of 2009 adopted by the Erie County Legislature (the “Legislature”) on July 24, 2009, as amended by Resolution No. 295 of 2009, adopted by the Legislature on November 19, 2009, Resolution Intro 5-3 (2010) adopted by the Legislature on March 25, 2010, and Resolution No. 110 of 2011, adopted by the Legislature on June 20, 2011 (collectively, the “County Resolutions”; and with the NFP Law, the “Enabling Act”), to relieve and reduce unemployment, promote and provide for additional and maximum employment, better and maintain job opportunities in Erie County (the “County”) and lessen the burdens of government and act in the public interest; and

WHEREAS, the Issuer, pursuant to that certain Bond Purchase Agreement and Building Loan Contract, dated as of December 22, 2010 (the “Original Bond Purchase Agreement”; and as so amended and supplemented by the Amendment No. 1 to Bond Purchase Agreement and Building Loan Contract, dated as of December 21, 2011, and Amendment No. 2 to Bond Purchase Agreement and Building Loan Contract, dated as of October 1, 2018 (the “Second Amendment”), the “Bond Purchase Agreement”), by and among the Issuer, **KEYBANK NATIONAL ASSOCIATION**, formerly First Niagara Bank, N.A. (the “Purchaser”), and **134 HIGH STREET, LLC** (the “Company”), issued its original aggregate principal amount up to \$24,050,000 Tax-Exempt Revenue Bond (Buffalo Niagara Medical Campus, Inc. Project), Series 2010 (the “Bond” or “Bonds”) on or about December 22, 2010, for the purpose of financing a project consisting of: (a) the demolition, construction and/or renovation, expansion, upgrading and equipping of new improvements to be sited on a parcel of real property ground leased by Kaleida Health, a New York not-for-profit corporation, to the Company located at 134 High Street in the City of Buffalo, County of Erie (the “Land”) related to the construction of an approximately 600,000 square foot multi-modal transportation structure to house an approximately 1,800 vehicle-capacity parking ramp located on the Land (the “Facility”); and (b) the acquisition of and installation in the Facility of various machinery, equipment and

furnishings (the "Equipment") (the Land, Facility and Equipment are hereinafter collectively referred to as the "Project"); and

WHEREAS, pursuant to Section 7.09 of the Bond Purchase Agreement, the Issuer, the Company and the Purchaser may amend the Bond Purchase Agreement in writing; and

WHEREAS, the Issuer desires to adopt a resolution approving the foregoing and authorizing the execution and delivery of certain documents in connection therewith.

NOW THEREFORE, BE IT RESOLVED by the Buffalo and Erie County Industrial Land Development Corporation as follows:

Section 1. The Issuer hereby approves the Second Amendment to the Bond Purchase Agreement, substantially in the forms presented to this meeting, subject to such changes, omissions and additions thereto, as the Authorized Representative (as defined in the Bond Purchase Agreement) of the Issuer, acting individually, shall approve upon the advice of Bond Counsel and as shall be consistent with this Resolution. The Issuer hereby authorizes the Authorized Representative of the Issuer, acting individually, to execute and deliver the Second Amendment to the Bond Purchase Agreement upon satisfaction of the following conditions:

- (a) The consent of the Purchaser to the Second Amendment to the Bond Purchase Agreement shall have first been obtained; and
- (b) The execution and delivery of the Second Amendment to the Bond Purchase Agreement by the Company and the Purchaser shall have first been obtained.

Section 2. Any and all actions heretofore taken by the Issuer, for and on behalf of the Company, are hereby ratified, confirmed and approved in their entirety.

Section 3. No covenant, stipulation, obligation or agreement contained in this Resolution, the Second Amendment to the Bond Purchase Agreement or any of the Bond Documents (as defined in the Bond Purchase Agreement) shall be deemed to be the covenant, stipulation, obligation or agreement of any member, director, officer, agent or employee of the Issuer in his or her individual capacity and neither the members or directors of the Issuer nor any officer executing the Bonds shall be personally liable on the Bonds or be subject to any personal liability or accountability by reason of the execution, issuance or delivery thereof.

Section 4. In addition to the authority hereinabove granted, the Authorized Representative of the Issuer is hereby authorized and directed, for and in the name and on behalf of the Issuer, to do and cause to be done any such other acts and things, to execute and deliver any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, and to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to in Section 2 of this Resolution, as such person determines may be necessary or desirable to consummate the transactions contemplated by this Resolution.

Section 5. A copy of this Resolution, together with documents presented at this meeting and referred to herein, shall be placed on file in the office of the Issuer where the same shall be available for public inspection during business hours.

Section 6. This Resolution shall take effect immediately.

Dated: October 24, 2018

STATE OF NEW YORK)
COUNTY OF ERIE) SS:

I, the undersigned, Secretary of the Buffalo and Erie County Industrial Land Development Corporation, DO HEREBY CERTIFY:

That I have compared the annexed extract of minutes of the meeting of the Buffalo and Erie County Industrial Land Development Corporation (the "ILDC"), including the resolution contained therein, held on October __, 2018, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the ILDC and of such resolution set forth therein and of the whole of said original insofar as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY, that all Directors of the ILDC had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with Article 7.

I FURTHER CERTIFY, that there was a quorum of the Directors of the ILDC present throughout said meeting.

I FURTHER CERTIFY, that as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the ILDC this ___ day of October, 2018.

Robert G. Murray
Secretary

[SEAL]