

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

DATE AND PLACE: August 24, 2016, at the Erie County Industrial Development Agency, 95 Perry Street, 5th Floor ESD Conference Room, Buffalo, New York 14203

PRESENT: Hon. Byron W. Brown, James F. Doherty, Dennis Elsenbeck, Hon. Joseph H. Emminger, Dottie Gallagher-Cohen, Richard Lipsitz, Jr., Brenda W. McDuffie, Frank B. Messiah, John J. Mudie, Hon. Glenn R. Nellis, Hon. Mark C. Poloncarz, Hon. Edward A. Rath, III and Paul V. Vukelic

EXCUSED: Hon. Diane Benczkowski, David L. Lowrey, Hon. Darius G. Pridgen Sister Denise Roche and Hon. Barry A. Weinstein

OTHERS PRESENT: Steve Weathers, Chief Executive Officer; John Cappellino, Executive Vice President; Karen M. Fiala, Assistant Treasurer; Bradley Bach, Assistant Treasurer; Gerald Manhard, Chief Lending Officer; and Robert G. Murray, Secretary

GUESTS: Andrew Federick, Erie County Senior Economic Development Specialist

There being a quorum present at 11:09 a.m., the meeting of the Buffalo and Erie County Regional Development Corporation Board of Directors was called to order by its Chair, Ms. McDuffie.

MINUTES

Upon motion made by Mr. Lipsitz and seconded by Mr. Messiah, the minutes of the April 27, 2016 Meeting of the Board of Directors of the RDC were unanimously approved.

REPORTS/ACTION ITEMS/INFORMATION ITEMS:

Assistant Treasurer Banking Resolution. Ms. Gallagher-Cohen moved and Mr. Rath seconded to appoint Mr. Bradley Bach as Assistant Treasurer of the RDC to serve until his successor is appointed and qualified in accordance with the by-laws of the Corporation and to confirm that Mr. Bach is an authorized signatory for all drafts, checks and other instruments for the payment of money drawn against RDC accounts held by First Niagara Bank. Ms. McDuffie called for the vote, and the aforementioned resolutions were unanimously approved.

S.J. McCullagh, Inc., 245 Swan Street, Buffalo, New York, \$500,000 7-Year Term Loan, Secured and Guaranteed. Mr. Manhard reviewed this \$500,000 loan request that was unanimously approved by the RDC Loan Committee. Mr. Manhard noted that loan proceeds

will be utilized to allow the company to acquire the commercial customers and tangible assets of Premium Coffee Roasters (“PCR”) and affiliate, Speroni’s Premium Coffee Roasters. Mr. Manhard further commented that the current owner of PCR was considering other purchase offers from companies outside of Erie County and New York State, and if S.J. McCullagh Inc. does not acquire the PCR assets, it is likely that the PCR employees would be laid-off or lose their current positions. Mr. Manhard then provided a brief history of the company as well as further details on the acquisitions costs and business plan related thereto. Ms. Gallagher-Cohen moved, and Mr. Elsenbeck seconded to approve of the loan. Ms. McDuffie called for the vote and the requested loan was thereafter unanimously approved.

Financial Report. Mr. Bach presented the July 2016 financial report noting that the RDC has net assets of approximately \$23,000,000. Mr. Bach stated that the income statement ending as of July 31, 2016 shows net income of approximately \$4,300 and on a year-to-date basis, the RDC shows net income of approximately \$70,000. Ms. McDuffie directed that the report be received and filed.

Proposed Budget Timetable and Review of 2017 Budget. Mr. Weathers presented the proposed budget review timetable.

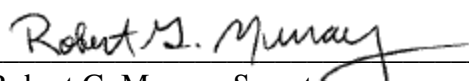
At this point in time, Mr. Brown joined the meeting.

Mr. Weathers then reviewed the proposed RDC budget for 2017 noting that the budgeted revenues, expenses and projected net loss figures are in line with prior years. Mr. Weathers then reviewed the proposed RDC three-year forecast for 2018-2020 and provided explanations with respect to loan loss expenses. There being no further discussion, Ms. McDuffie directed that the report be received and filed.

Loan Status Report. Mr. Manhard reviewed the 2016 Closing Schedule. Ms. McDuffie directed that the report be received and filed.

There being no further business to discuss, upon motion made by Mr. Elsenbeck and seconded by Mr. Doherty and unanimously approved, the meeting was adjourned at 11:25 a.m.

Dated: August 24, 2016



Robert G. Murray, Secretary