

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

DATE AND PLACE: July 25, 2018, at the Erie County Industrial Development Agency, 95 Perry Street, 5th Floor ESD Conference Room, Buffalo, New York 14203

PRESENT: Rev. Mark E. Blue, Hon. Joseph H. Emminger, Dottie Gallagher, Richard Lipsitz, Jr., Brenda W. McDuffie, John J. Mudie, Hon. Glenn R. Nellis, Hon. Mark C. Poloncarz, Hon. Darius G. Pridgen, Sister Denise Roche, Kenneth A. Schoetz, Charles F. Specht and Art Wingerter

EXCUSED: Hon. Diane Benczkowski, Hon. Byron W. Brown, Hon. Patrick B. Burke, James F. Doherty, Hon. Brian J. Kulpa, Tyra Johnson

OTHERS PRESENT: Steve Weathers, Chief Executive Officer; John Cappellino, Executive Vice President; Mollie Profic, Chief Financial Officer; Karen M. Fiala, Assistant Treasurer; Gerald Manhard, Chief Lending Officer, Michael Alexander, Loan Manager and Robert G. Murray, Secretary

GUESTS: Michael Szukala, Chair, Audit & Finance Committee; Maria Whyte, Deputy County Executive; Andrew Federick, Erie County Senior Economic Development Specialist; Rebecca Gandour, City of Buffalo Office of Strategic Planning; and Christopher Pawenski, Coordinator, Industrial Assistance Program, of the Erie County Environment & Planning Department

There being a quorum present at 9:04 a.m., the meeting of the RDC Board of Directors was called to order by its Chair, Ms. McDuffie.

MINUTES

The Minutes of the June 27, 2018, meeting of the Board of Directors of the RDC were presented. Mr. Poloncarz moved, and Mr. Emminger seconded, to approve of the minutes. Ms. McDuffie called for the vote and the minutes were unanimously approved.

REPORTS/ACTION ITEMS/INFORMATION ITEMS

Financial Report. Ms. Profic reviewed the financial statements, noting that the RDC finished the month of June with total assets of \$18.4 million and net assets of \$18.2 million. The monthly income statement shows a net loss of \$45,000. Revenue for the month was \$8,500, and expenses were \$93,000 which included a \$60,000 increase to the provision for loan losses. The year to date income statement reflects \$230,000 of revenue and \$236,000 of expenses. The RDC has a net loss of \$6,500 through June 30, 2018. Ms. McDuffie directed that the report be received and filed.

2018 Loan Status Report/ 2018 Closing Report. Mr. Manhard presented this report. Ms. McDuffie directed that the report be received and filed.

APPROVAL OF LOAN CASE

Tomric Systems, Inc., 85 River Rock Drive, Buffalo, New York, \$1,117,000.00, 90 month Term Loan, Secured and Guaranteed. Mr. Manhard reviewed this \$1,117,000 loan request, proceeds of which will assist in the expansion of the company's showroom and equipment purchases, warehouse production equipment purchases, instructional kitchen equipment and permanent working capital needed to purchase raw materials and support the anticipated growth of the company. Mr. Manhard advised that the RDC Loan Committee approved the project at their last meeting.

Ms. Gallagher asked if it is unusual for the RDC to be the only lender. Mr. Manhard stated that the RDC is rarely the single lender but noted that Key Bank, the company's primary lender, has already loaned the company certain money for prior projects and cannot lend any more funds to the company per bank policies. Under this situation, Mr. Manhard explained, the RDC can be sole lender.

Mr. Poloncarz queried as to whether the 90 month term of the loan was longer than normal. Mr. Manhard stated that the RDC can lend for up to ten years, but in this case, staff has determined that a 90 month term with the related balloon payment should position the company for success and enable the RDC to be taken out.

Mr. Emminger noted that the RDC Loan Committee discussed that the RDC was funding 100% of the company's lending needs and resolved to approve of the loan as presented.

Mr. Emminger moved and Mr. Blue seconded to approve of the loan as proposed. Ms. McDuffie called for the vote and the requested loan was thereafter unanimously approved.

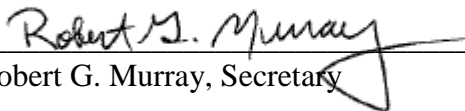
MANAGEMENT TEAM REPORT

Revolving Loan Fund Update. Mr. Manhard provided members with an update on the RDC revolving loan fund and updated members on the recent EDA review of the RDC's Loan Administrative Plan.

Ms. McDuffie thanked Mr. Manhard and Mr. Alexander for their great efforts and thanked the RDC Loan Committee for their efforts as well.

There being no further business to discuss, Ms. McDuffie adjourned the meeting at 9:27 a.m.

Dated: July 25, 2018


Robert G. Murray, Secretary