

TOWN OF LANCASTER
INDUSTRIAL DEVELOPMENT AGENCY
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**MEETING MINUTES
REGULAR MEETING OF
LANCASTER INDUSTRIAL DEVELOPMENT AGENCY**

TUESDAY, FEBRUARY 11, 2014 AT 8:45 AM

**HELD AT
LANCASTER TOWN HALL
21 CENTRAL AVENUE, LANCASTER, NY 14086**

PUBLIC HEARINGS: NONE

Meeting called to order by Chairman Fudoli at 8:45 AM

Roll Call: Present: Frank Fialkiewicz
 Steven Hoffman
 Alan Kurtzman
 Michael LoCicero
 E. James Nunan
 Kenneth O'Brien
 Dino J. Fudoli

 Absent: Richard Grimm, General Counsel/Bond Counsel

 Also Present: Raymond Caso General Counsel/Bond Counsel
 Robert Benzel, Chief Executive Officer
 David J. Brown
 Paul Leone, Consultant

Presentation of Minutes from January 14, 2014 meeting: Motion by Member Alan Kurtzman, seconded by Member James Nunan, and unanimously approved.

Presentation of Financial Statement for period of January 14, 2014 to February 11, 2014: Motion by Member Frank Fialkiewicz, seconded by Member Steven Hoffman, and unanimously approved.

RESOLUTIONS:

- 1. RESOLUTION OF THE TOWN OF LANCASTER INDUSTRIAL DEVELOPMENT AGENCY TO AUTHORIZE DRESCHER & MALECKI LLP TO PERFORM THE 2013 AUDIT FOR THE TOWN OF LANCASTER INDUSTRIAL DEVELOPMENT AGENCY.**

The question of the adoption of the foregoing resolution was duly put to a vote on roll call which resulted as follows:

MEMBER FIALKIEWICZ	VOTED	YES
MEMBER HOFFMAN	VOTED	YES
MEMBER KURTZMAN	VOTED	YES
MEMBER LOCICERO	VOTED	YES
MEMBER NUNAN	VOTED	YES
MEMBER O'BRIEN	VOTED	YES
CHAIRMAN FUDOLI	VOTED	YES

- 2. AMENDED RESOLUTION OF THE TOWN OF LANCASTER INDUSTRIAL DEVELOPMENT AGENCY WITH RESPECT TO THE 2004 HARRIS HILL NURSING FACILITY, LLC PROJECT (2010 NATIONWIDE HEALTH PROPERTIES, INC.)**

Raymond Caso reported that counsel for Harris Hill Nursing Facility, LLC requested a minor amendment to the resolution approved on January 14, 2014. They requested that the resolution be revised to include specific language which reads "Amended and Restated Master Lease". No further changes were made.

The question of the adoption of the foregoing resolution was duly put to a vote on roll call which resulted as follows:

MEMBER FIALKIEWICZ	VOTED	YES
MEMBER HOFFMAN	VOTED	YES
MEMBER KURTZMAN	VOTED	YES
MEMBER LOCICERO	VOTED	YES
MEMBER NUNAN	VOTED	YES
MEMBER O'BRIEN	VOTED	YES
CHAIRMAN FUDOLI	VOTED	YES

- 3. AMENDED RESOLUTION OF THE TOWN OF LANCASTER INDUSTRIAL DEVELOPMENT AGENCY WITH RESPECT TO THE 2013 ZILLIG FAMILY, LLC PROJECT**

Raymond Caso reviewed the prior resolutions that were approved by the LIDA relating to the current Zillig Family, LLC project. The LIDA approved the original inducement resolution related to this project on April 13, 2013. The Applicant later requested additional benefits in the amount of \$355,000 due to additional costs related to the

project. The additional benefits were approved on January 14, 2014. A review of the resolutions approved on April 13, 2013 and January 14, 2014 indicated that an existing PILOT for the company's prior project would be terminated due to language in these resolutions. After consulting with counsel for Zillig Family, LLC, Magavern, Magavern & Grimm determined that it was not the Company's intention to terminate the existing PILOT. Therefore, the resolution presented today clarifies that the existing PILOT will remain in effect and a new ten year PILOT will be granted for the Company's current project, as approved by the LIDA board on April 13, 2013.

The question of the adoption of the foregoing resolution was duly put to a vote on roll call which resulted as follows:

MEMBER FIALKIEWICZ	VOTED	YES
MEMBER HOFFMAN	VOTED	YES
MEMBER KURTZMAN	VOTED	YES
MEMBER LOCICERO	VOTED	YES
MEMBER NUNAN	VOTED	YES
MEMBER O'BRIEN	VOTED	YES
CHAIRMAN FUDOLI	VOTED	YES

CURRENT BUSINESS

None

NEW BUSINESS

Paul Leone reported that he met recently with representatives of Amdor, Inc. (Whiting Group of Canada. The company makes specialty roll-up doors and is currently looking at a vacant building on Walden Avenue.

Mr. Leone also met with representatives from Tops Markets regarding possible warehouse renovations at their current location.

OTHER BUSINESS

Supervisor Fudoli reported that Senator Patrick Gallivan has announced bill numbers for the Community Choice Act, which he is sponsoring in the New York State Senate. The bills may also be sponsored in the New York State Assembly by Assemblyman Robin Schimminger.

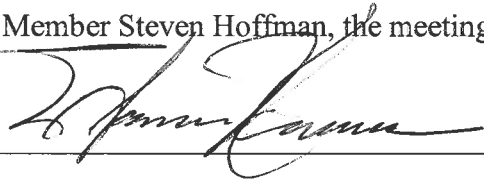
The ECIDA has scheduled a meeting on February 21, 2014 with representatives of the local IDA's in response to the letter drafted on our behalf by Masiello, Martucci, Calabrese & Associates regarding the proposed revisions to the Adaptive Re-Use Policy.

Paul Leone also reported that he with representatives from Avox Systems regarding their plans to add a 4,000 sq. ft. addition. He also has scheduled a training meeting with state and federal agencies at Avox on February 13, 2013.

Steven Hoffman reported that he hosted a meeting with representatives of AMS Servicing, LLC regarding the company's plans to vacate their current space which is leased from Uniland at 3374 Walden Avenue due to company expansion. The company worked with the ECIDA to expand their operations at a location in Elma. The company presented details of their search for suitable space within Lancaster.

NEXT LIDA MEETING – TUESDAY, MARCH 11, 2014 AT 8:45 AM

By Motion of Member James Nunan and seconded by Member Steven Hoffman, the meeting was adjourned at 9:05 AM.

A handwritten signature in cursive script, appearing to read "E. James Nunan", is written over a horizontal line.

E. James Nunan, Secretary

RESOLUTION OF THE TOWN OF LANCASTER INDUSTRIAL
DEVELOPMENT AGENCY TO AUTHORIZE DRESCHER &
MALECKI, LLP TO PERFORM THE 2013 AUDIT FOR THE TOWN OF
LANCASTER INDUSTRIAL DEVELOPMENT AGENCY

WHEREAS, the Town of Lancaster Industrial Development Agency (the "Agency") is required to do an annual audit and submit it to the State of New York as well as make it available on its web site; and

WHEREAS, the Agency has previously retained the services of Drescher & Malecki, LLP to perform the audit on behalf of the Agency and has been extremely satisfied with the services that they performed; and

WHEREAS, Drescher & Malecki, LLP has submitted a proposal to the Agency to perform the audit for 2013.

NOW, THEREFORE, BE IT RESOLVED BY THE AGENCY AS FOLLOWS:

1. The Agency does hereby retain the firm of Drescher & Malecki, LLP to perform the 2013 audit for the Agency at the price as set forth in their proposal.
2. This resolution shall take effect immediately.

Adopted: February 11, 2014

AMENDED RESOLUTION**RESOLUTION OF THE
TOWN OF LANCASTER INDUSTRIAL DEVELOPMENT AGENCY**

WHEREAS, Harris Hill Nursing Facility, LLC entered into a certain 2004 Project (as amended in 2006, the "Project") with the Town of Lancaster Industrial Development Agency (the "Agency") with respect to the acquisition or leasing and financing by the Agency of premises commonly known as 2699 Wehrle Drive, in the Town of Lancaster, County of Erie, State of New York, ("Facility"); and

WHEREAS, pursuant to the Project, the Agency acquired a leasehold interest in the Facility pursuant to Lease to Agency, dated as of May 1, 2006 and leased the Facility back to Harris Hill Nursing Facility, LLC pursuant to Lease Agreement dated as of May 1, 2006 between the Agency and Harris Hill Nursing Facility, LLC ("Lease Agreement"); and

WHEREAS, the Agency thereafter received and granted pursuant to a Resolution adopted on December 7, 2010 a request from Harris Hill Nursing Facility, LLC for the Agency's consent to (1) the assignment of the leasehold interest in the Facility to Nationwide Health Properties, Inc., which acquired fee title to the Facility and the leasehold interest of Harris Hill Nursing Facility, LLC in the Lease Agreement, and assumed the obligations of Harris Hill Nursing Facility, LLC under the Lease Agreement except with respect to the environmental indemnifications which remained the obligation of Harris Hill Nursing Facility, LLC, and (2) the execution and delivery of a sublease between Nationwide Health Properties, Inc. and Harris Hill Nursing Facility, LLC, which remained the operator of the Facility but as a sublessee instead of a lessee; and

WHEREAS, the Agency thereafter, by Resolution adopted on December 13, 2011, consented to a request by Nationwide Health Properties, LLC (successor by merger to Nationwide Health Properties, Inc.) and Harris Hill Nursing Facility, LLC to the entering into of a Master Lease between Nationwide Health Properties, LLC and Harris Hill Nursing Facility, LLC and a number of other health care facilities acquired by Nationwide Health Properties, Inc. (as to which Nationwide Health Properties, LLC is likewise successor by said merger); and

WHEREAS, Nationwide Health Properties, LLC and Harris Hill Nursing Facility, LLC have now requested that the Agency consent to the Amended and Restated Master Lease between Nationwide Health Properties, LLC and Harris Hill Nursing Facility, LLC and a number of other health care facilities owned by Nationwide Health Properties, LLC; and

WHEREAS, this Amended and Restated Master Lease will not result in any changes in the Sublessee which will remain Harris Hill Nursing Facility, LLC and which is the occupant of the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN OF LANCASTER INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

- 1) The Agency hereby approves the Amended and Restated Master Lease between Nationwide Health Care Facility, LLC and Harris Hill Nursing Facility, LLC and other entities.
- 2) This resolution shall take effect immediately

ADOPTED: February 11, 2014

SECOND AMENDED RESOLUTION

RESOLUTION OF THE TOWN OF LANCASTER INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") AUTHORIZING ZILLIG FAMILY, LLC (THE "LESSEE") TO EXPAND ITS EXISTING MANUFACTURING FACILITY LOCATED AT 4437 WALDEN AVENUE IN THE TOWN OF LANCASTER, NEW YORK, BY CONSTRUCTING A NEW BUILDING CONTAINING APPROXIMATELY 5,000 SQUARE FEET, AN APPROXIMATELY 1,700 SQUARE FOOT MEZZANINE WITHIN EXISTING OFFICE SPACE, AND INTERIOR RENOVATIONS TO PROVIDE EXPANDED KITCHEN AND BATHROOM FACILITIES TO ACCOMMODATE ADDITIONAL EMPLOYEES, AS AGENT FOR THE AGENCY FOR LEASE TO THE LESSEE AND SUBSEQUENT SUBLEASE TO JIFFY TITE CO, INC. (THE "SUBLESSEE")

WHEREAS, Zillig Family, LLC (the "Lessee") has entered into negotiations with officials of the Town of Lancaster Industrial Development Agency (the "Agency") with respect to the expansion of Lessee's existing manufacturing facility located at 4437 Walden Avenue in the Town of Lancaster, New York, including construction of a new building containing approximately 5,000 square feet, construction of an approximately 1,700 square foot mezzanine within existing office space, and interior renovations to provide expanded kitchen and bathroom facilities to accommodate additional employees (the "Project"), to permit refinancing of the entire Project and to enter into a payment in lieu of tax agreement (PILOT) in accordance with requirements of a new lender commitment; and

WHEREAS, the Lessee has submitted an Eligibility Questionnaire and other materials and information to the Agency (collectively hereinafter the "Eligibility Questionnaire") to initiate the accomplishment of the above; and

WHEREAS, the Eligibility Questionnaire sets forth certain information with respect to the Lessee, including the following: that the Lessee desires Agency assistance to construct the Project with resultant increase in employment in the Town of Lancaster; that but for the availability of financing and/or other assistance by the Agency, it would not expand the Lessee's existing facility to accommodate expansion of the Sublessee's business within the Town of Lancaster, there will be no substantial adverse disruption of existing employment at facilities of a similar nature in the Town of Lancaster, current employees will be retained and that upon the

completion of the Project the Lessee estimates that the Project will employ 50 new full-time employees and therefore the Project will provide substantial increased employment and substantial capital investment; if Agency financing or other assistance is disapproved, the Lessee would likely not proceed with the Project; and that, therefore, Agency financing or other assistance is necessary to encourage the Lessee to proceed with the Project in the Town of Lancaster; and

WHEREAS, the Agency has held a public hearing on the Project pursuant to Section 859-A of the General Municipal Law; and

WHEREAS, the Agency desires to further encourage the Lessee with respect to the acquisition and construction of the Project, if by so doing it is able to induce the Lessee to proceed with the Project in the Town of Lancaster; and

WHEREAS, on April 16, 2013 the Agency adopted a resolution (the "April 16, 2013 Resolution"), which approved the Project and the Agency's assistance in connection therewith and designated the Lessee as the agent for the Agency to undertake the Project, which April 16, 2013 resolution was amended by a resolution adopted by the Agency on January 14, 2014 approving an increase in the amount of the Project and the mortgage to be executed in connection therewith; and

WHEREAS, the Agency wishes to further amend the April 16, 2013 resolution to clarify the nature of the payment-in-lieu of tax arrangement to be entered into in connection with the Project;

NOW, THEREFORE, THE TOWN OF LANCASTER INDUSTRIAL DEVELOPMENT AGENCY HEREBY RESOLVES AS FOLLOWS:

Section 1. The Agency hereby determines that the acquisition, construction and installation of the Project and the financing or other assistance thereof by the Agency pursuant to the New York State Industrial Development Agency Act will promote and is authorized by and

will be in furtherance of the policy of the State as set forth in said Act. The Agency further hereby determines, on the basis of the Eligibility Questionnaire and supplemental information furnished by the Lessee, as follows: (a) it would not have financed or otherwise assisted the Project except to induce the further development of the Project in the area to be served by the Project as there is a demonstrable need for the Project and the services it offers; (b) that but for the availability of Agency financing or other assistance for the Project in such area, the Project would not be economically feasible; (c) there will be no substantial adverse disruption of existing employment or facilities of a similar nature to the Project in such area; (d) the Project will provide substantial employment and substantial capital investment; and (e) the Project is necessary for the Lessee to expand and increase employment in the Town of Lancaster. The Agency further determines, on the basis of the Lessee's Eligibility Questionnaire that; (f) the Project as represented is reasonably necessary to provide the purposes of the Act, subject to verification and confirmation of such representations prior to the Agency entering into an amended lease with mortgage transaction; and (g) the Project is an integral part of the Lessee's plans to proceed in the Town of Lancaster.

Section 2. The Agency hereby authorizes the Lessee to proceed with the Project as herein authorized with the estimated maximum cost to the Lessee of the Project not to exceed the principal amount of Two Million Eighty One Thousand and 00/100 (\$2,081,000.00) Dollars, of which One Million Two Hundred Fifty Five Thousand and 00/100 (\$1,255,000.00) represents new or increased financing, which Project will be financed through a lease with mortgage transaction between the Agency and the Lessee.

Section 3. The Agency will undertake, as soon as particular terms and conditions of an amended Lease Agreement are determined to enter into a lease with mortgage transaction with the Lessee.

Section 4. The Chairman, Vice Chairman, Secretary and Assistant Secretary of the Agency and other appropriate officials of the Agency and its agents and employees are hereby authorized and directed to take whatever steps may be necessary to cooperate with the Lessee to assist in the acquisition and construction of the Project.

Section 5. The Lessee is authorized to initiate the construction of a new building containing approximately 5,000 square feet, construction of an approximately 1,700 square foot mezzanine within existing office space, and interior renovations to provide expanded kitchen and bathroom facilities to accommodate additional employees at Lessee's existing facility located at 4437 Walden Avenue in the Town of Lancaster, New York, in each case subject to the obtaining of all required approvals from the Town of Lancaster and other involved governmental agencies, and Lessee is authorized to advance such funds as may be necessary to accomplish such purposes, subject in the case of the Lessee to reimbursement for all qualifying expenditures out of the proceeds of a lease with mortgage, if applicable. The Agency is hereby authorized to enter into any other agreements with the Lessee as the Chairman, Vice Chairman or other authorized officer may deem necessary in order to accomplish the above.

Section 6. Any such action heretofore taken by the Lessee in initiating the acquisition and construction of the Project are hereby ratified, confirmed and approved.

Section 7. Any expenses incurred by the Agency with respect to the Project and the financing thereof shall be paid by the Lessee. By acceptance hereof, the Lessee agrees to pay such expenses with respect to the Project and further agrees to indemnify the Agency, its members, directors, officers, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Project and the financing thereof, if applicable.

Section 8. In conjunction therewith the Agency approves the financing or refinancing of the Project with new or increased financing not to exceed the principal amount of Two Million Eighty One Thousand and 00/100 (\$2,081,000.00) Dollars, for which a mortgage tax exemption affidavit shall be provided by the Agency. It is hereby understood and agreed that One Million Two Hundred Fifty Five Thousand and 00/100 (\$1,255,000.00) represents new or increased financing and is subject to the Agency Administrative fees.

Section 9. The Lessee is authorized to commence building construction and renovation in the estimated amount of \$1,255,000 in new investment for which a sales tax exemption letter has been granted pursuant to the April 16, 2013 Resolution.

Section 10. The Agency and the Lessee are parties to an existing payment in lieu of tax agreement (PILOT) which shall remain in effect under its current terms. The Agency and the Lessee shall enter into a new PILOT, with respect to the Project described herein for a period of the ten (10) years in accordance to the Countywide Industrial Development Agency Tax Exemption Policy.

Section 11. The provisions of this resolution shall continue to be effective until one year from the date hereof whereupon this resolution shall cease to be effective (except with respect to matters contained in Section 7 hereof) unless prior to the expiration of such period (a) the Agency shall by subsequent resolution extend the effective date of this resolution or (b) or enters into a lease with mortgage transaction with the Lessee or (c) the Lessee shall continue to take affirmative steps to secure financing for the Project.

Section 12. This resolution is also subject to (a) construction of space suitable for the purpose authorized herein, (b) provision in all subleases for use of the Project only for those purposes specified above or otherwise permitted by the New York State Industrial Development Agency Act and approved by the Agency.

Section 13. The execution and delivery of an amended lease between the Agency and the Lessee and the execution of any other agreement necessary to effectuate the Project being substantially in the form approved by the Agency for prior transactions or in form approved by the Chairman, Vice Chairman or Secretary are hereby authorized. The appropriate officers of the Agency are hereby authorized to execute, seal, acknowledge and deliver such agreement and any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this resolution. The execution and delivery of each such instrument shall be conclusive evidence of due authorization and approval.

Section 14. The execution and delivery of a mortgage or consolidated mortgage and assignment of leases and rents in an amount not to exceed \$2,081,000.00 of which, \$1,255,000.00 is considered new money, from the Agency and the Lessee to a lender selected by the Lessee and approved by the Chairman, Vice Chairman or Secretary, and other ancillary documents, which mortgage and ancillary documents shall be substantially in the form approved by the Agency for prior transactions or in form approved by the Chairman or Vice Chairman is hereby authorized. The appropriate officers of the Agency are hereby authorized to execute, seal, acknowledge and deliver such agreement and any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this resolution. The execution and delivery of each such instrument shall be conclusive evidence of due authorization and approval.

Section 15. The Agency hereby determines, based upon information furnished to the Agency by the Lessee and such other information as the Agency has deemed necessary to make this determination, that the Project constitutes a Type II action under the State Environmental Quality Review Act and does not require the preparation of an environmental impact statement under the State Environmental Quality Review Act, being Article 8 of the New York State Environmental Conservation law, as the contemplated actions will not have a significant effect on the environment.

Section 16. The Agency has made and makes no representation or warranty whatsoever, either express or implied, with respect to the merchantability, condition, environmental status, fitness, design, operation or workmanship of any part of the Project, its fitness for any particular purpose, the quality or capacity of the materials in the Project, or the suitability of the Project for the Lessee's or any Sublessee's purposes or needs or the extent to which proceeds derived from the sale of the bonds will be sufficient to pay the cost of the acquisition, construction, renovation and installation of the Project. The Lessee is satisfied that the Project is suitable and fit for Lessee's purposes. The Agency shall not be liable in any manner whatsoever to anyone for any loss, damage or expense of any kind or nature caused, directly or indirectly, by the Project property or the use or maintenance thereof or the failure of operation thereof, or the repair,

service or adjustment thereof, or by any delay or failure to provide any such maintenance, repairs, service or adjustment, or by any interruption of service or loss of use thereof or for any loss of business howsoever caused, and the Lessee hereby agrees to indemnify and holds the Agency harmless from any such loss, damage or expense with respect to the Project.

Section 17. Should the Agency's participation in the Project be challenged by any party, in the courts or otherwise, the Lessee and shall defend, indemnify and hold harmless the Agency and its members, officers and employees from any and all losses arising from any such challenge including, but not limited to, the fees and disbursements of the Agency's counsel. Should any court of competent jurisdiction determine that the Agency is not authorized under Article 18-A of the General Municipal Law to participate in the Project, this resolution shall automatically become null and void and of no further force and effect, and the Agency shall have no liability to the Lessee or any Sublessee hereunder or otherwise.

Section 18. This resolution is subject to compliance with all local building and zoning requirements.

Section 19. This resolution shall take effect immediately.

ADOPTED: February 11, 2014

ACCEPTED:

Zillig Family, LLC

By: _____
Steven R. Zillig
Member