

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

TUESDAY, JUNE 11, 2013 AT 8:45 AM

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

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

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

 Absent: Robert H. Klaczyk
 Thomas Schofield, General Counsel/Bond Counsel
 Raymond Caso, General Counsel/Bond Counsel
 David J. Brown, Chief Financial Officer

 Also Present: Richard Grimm, General Counsel/Bond Counsel
 Paul Leone, Consultant
 Robert Benzel, Chief Executive Officer

PUBLIC HEARINGS: NONE

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

Presentation of Minutes from May 14, 2013 meeting: Motion by Member James Nunan, seconded by Member Steven Hoffman, and unanimously approved.

Presentation of Financial Statement for period of May 14, 2013 to June 11, 2013: Motion by Member Steven Hoffman, seconded by Member James Nunan and unanimously approved.

David Brown and Raymond Caso arrived at 8:48 AM.

RESOLUTIONS:

1. RESOLUTION OF THE TOWN OF LANCASTER INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY")

WHEREAS, 51 Beach Avenue, LLC (the "Lessee") has assumed a certain 1997 Project with the Town of Lancaster Industrial Development Agency (the "Agency") with respect to the acquisition and financing by the Agency of premises commonly known as 51 Beach Avenue, Lancaster, NY, and

WHEREAS, the Lessee entered into a certain Mortgage with M&T Bank for the acquisition of a certain manufacturing facilities building at 51 Beach Avenue in the Town of Lancaster, New York for sublease to Air Systems Products, Inc., and

WHEREAS, the Lessee now wishes to modify the Mortgage to take out certain subordinated debt owing to Empire State Certified Development Corporation and to increase the M&T Bank Mortgage from \$146,910 to \$270,000, and

WHEREAS, there is no additional IDA benefits arising from Modification of the Mortgage and Note other than the increase in loan value and exemption from Mortgage Recording tax which would require a separate inducement by the Agency, and

WHEREAS, M&T Bank requires a Modification of Mortgage Agreement and Mortgage instrument in order to perfect its lien interest to be executed by the Lessee and the Agency.

Richard Grimm gave a brief overview of this matter. The Company, 51 Beach Avenue LLC (Air Systems Products, Inc.) is seeking a mortgage modification extension which requires Board approval. There are no new benefits conveyed with this approval.

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 KLACZYK	VOTED	WAS ABSENT
MEMBER KURTZMAN	VOTED	YES
MEMBER LOCICERO	VOTED	YES
MEMBER NUNAN	VOTED	YES
CHAIRMAN FUDOLI	VOTED	YES

2. RESOLUTION OF THE TOWN OF LANCASTER INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") TO AUTHORIZE A CHANGE OF CONTROL OF PALMERTON HOLDINGS, INC. WITH RESPECT TO A 2010 PROJECT LOCATED AT 5892 GENESEE STREET IN THE TOWN OF LANCASTER FOR CONTINUED SUBLEASE FOR MANUFACTURING PURPOSES IN ACCORDANCE WITH ORIGINAL PROJECT INDUCEMENT.

Richard Grimm noted that Palmerton Holdings is requesting authorization from the LIDA related to a third party transaction in addition to a continuation of the existing PILOT benefits authorized by the LIDA through the 2010 Palmerton Holdings, Inc. Project. No new benefits are conveyed with this authorization.

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 KLACZYK	VOTED	WAS ABSENT
MEMBER KURTZMAN	VOTED	YES
MEMBER LOCICERO	VOTED	YES
MEMBER NUNAN	VOTED	YES
CHAIRMAN FUDOLI	VOTED	YES

CURRENT BUSINESS

Cemetery Road Property – A meeting was held on May 22, 2013 with all interested parties present to discuss the survey of the parcel that will be sold to Gold Seal Equity Partnership. Millard, MacKay & Delles Land Surveyors, LLP has just completed the survey per the LIDA resolution approved on May 14, 2013. *Chairman Fudoli summarized the meeting held with the surveyors. He also reported that the matter of returning the surplus property (unsold portion of vacant land) to the Town has been discussed with the Town Board. The Town Board has not reached a decision to formally accept the remaining property, and therefore it will stay in the possession of the LIDA until a determination is made. Ray Caso noted that the next step is to order an updated search from the title insurance company. He estimates that closing on the property will be possible in approximately one month.*

NEW BUSINESS

None

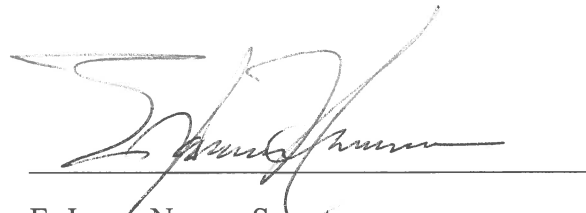
OTHER BUSINESS

Project Closings – The Uniland Partnership Project (Xpedx) and the P Lane II, LLC Project (Park Lane II Senior Housing) will be closing in the near future. *The Uniland Project (Xpedx) is closing today and the P Lane II Project (Park Lane II Senior Housing) is tentatively scheduled to close on or around June 21, 2013.*

Paul Leone also addressed the Board regarding two matters that require Board approval. Anastasi Trucking and Russell Salvatore have both requested six month extensions on their current sales tax letters, as the 12 month initial period is set to expire on both projects. He will verify that both projects have not exceeded their authorized benefits before issuing an extension to either company.

NEXT LIDA MEETING – TUESDAY, JULY 11, 2013 AT 8:45 AM

By Motion of Member Alan Kurtzman and seconded by Member Michael LoCicero, the meeting was adjourned at 9:00 AM.

A handwritten signature in black ink, 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**

WHEREAS, 51 Beach Avenue, LLC (the "Lessee") has assumed a certain 1997 Project with the Town of Lancaster Industrial Development Agency (the "Agency") with respect to the acquisition and financing by the Agency of premises commonly known as 51 Beach Avenue, Lancaster, NY, and

WHEREAS, the Lessee entered into a certain Mortgage with M&T Bank for the acquisition of a certain manufacturing facilities building at 51 Beach Avenue in the Town of Lancaster, New York for sublease to Air Systems Products, Inc., and

WHEREAS, the Lessee now wishes to modify the Mortgage to take out certain subordinated debt owing to Empire State Certified Development Corporation and to increase the M&T Bank Mortgage from \$146,910 to \$270,000, and

WHEREAS, there is no additional IDA benefits arising from Modification of the Mortgage and Note other than the increase in loan value and exemption from Mortgage Recording tax which would require a separate inducement by the Agency, and

WHEREAS, M&T Bank requires a Modification of Mortgage Agreement and Mortgage instrument in order to perfect its lien interest to be executed by the Lessee and the Agency, and

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

The Agency hereby determines that the Modification of Mortgage and Mortgage instrument referenced above creates no additional benefit to the Lessee which would require a public hearing or separate inducement for the project, and further

The Agency hereby authorizes the Lessee to proceed with the Modification of the Mortgage by M&T Bank, and further

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 Modification thereof in furtherance of the Project including execution of the Mortgage Modification Agreement and any related documents on behalf of the Agency, and further

Any such action heretofore taken by the Lessee in furtherance of the Project are hereby ratified, confirmed and approved, and further

Any expenses occurred by the Agency with respect to the mortgage modification and financing thereof shall be borne by the Lessee.

This Resolution shall take effect immediately.

Adopted: June 11, 2013

Town of Lancaster Industrial Development Agency

By: _____

Title: Dino Fudoli, Chair

RESOLUTION OF THE TOWN OF LANCASTER
INDUSTRIAL DEVELOPMENT AGENCY TO AUTHORIZE
A CHANGE OF CONTROL OF PALMERTON HOLDINGS, INC.
WITH RESPECT TO A 2010 PROJECT LOCATED AT 5892 GENESEE
STREET IN THE TOWN OF LANCASTER FOR CONTINUED SUBLEASE
FOR MANUFACTURING PURPOSES IN ACCORDANCE WITH
ORIGINAL PROJECT INDUCEMENT

WHEREAS, Palmerton Holdings, Inc., (the "Lessee") has previously entered into a project with the Town of Lancaster Industrial Development Agency for the acquisition of an approximately 9.46 acre parcel of land located at 5892 Genesee Street in the Town of Lancaster and for the construction of an approximately 50,000 square foot manufacturing facility expandable to 100,000 square feet and the acquisition and installation of machinery and equipment required in connection therewith and for sub-lease to a related party conducting manufacturing operations all of which constitute the "2010 Palmerton Holdings, Inc. Project", and

WHEREAS, an element of the 2010 Palmerton Holdings, Inc. Project was the entry into a Payment in Lieu of Tax agreement ("PILOT Agreement") between the Lessee and the Town of Lancaster Industrial Development Agency for partial abatement of real property taxes for the period 2012 through 2021, and

WHEREAS, Palmerton Holdings, Inc. is contemplating a change of control transaction by which a third party would acquire an interest in the stock of Palmerton Holdings, Inc. and as a condition of the transaction the third party requests consent by the Town of Lancaster Industrial Development Agency to the continuation of the PILOT Agreement through its stated expiration date so long as the 2010 Palmerton Holdings, Inc. Project maintains its eligibility under the Project documents and New York State Industrial Development Agency Act (the "Act"), and

WHEREAS, no new benefits will be conveyed by the consent requested by the Lessee,

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

Section 1. The Agency hereby authorizes the Lessee to proceed with the third party transaction and to the continuation of the PILOT Agreement through its stated expiration date or until earlier terminated in accordance with the terms thereof or pursuant to the Act. This consent is subject to the Lessee, the Sublessee, and any beneficial owners thereof who have guaranty obligations to the Town of Lancaster Industrial Development Agency 2010 Palmerton Holdings, Inc. Project remaining obligated to the original obligations to the Agency under the Project documents as originally agreed.

Section 2. The Chairman, Vice Chairman, Treasurer 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 further obtain the benefits of the Project.

Section 3. Should the Agency's participation in this Project be challenged by any party, in the courts or otherwise, the Lessee shall defend, indemnify and hold harmless the Agency and its members, officers and employees from any and all losses arising from 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, void and of no further force and effect, and the Agency shall have no liability to the Lessee or the Sublessee hereunder or otherwise.

Section 4. This resolution shall take effect immediately.

ADOPTED: June 11, 2013

ACCEPTED: _____

PALMERTON HOLDINGS, INC.

By: _____
Christopher Palmerton, President/CEO