

PLEASE NOTE - We welcome public comment on the items on the following agenda. To ensure maximum opportunity for participation, speakers representing themselves may speak for up to 2 minutes each, and those representing groups may speak for up to 4 minutes (1 speaker per group). Speakers' comments may address only items considered at today's meeting.

UPSTATE EMPIRE STATE DEVELOPMENT CORPORATION

at the offices of
Empire State Development – Buffalo Regional office
95 Perry Street – Suite 500
Buffalo, New York 14203

Meeting of the Directors

Tuesday

March 27, 2012 – 10:00 a.m.

AGENDA

FOR CONSIDERATION

1. Approval of the Minutes of the February 16, 2012 Directors' Meeting

UPSTATE REGIONAL BLUEPRINT FUND

2. Derby (Western New York Region – Erie County) – New Era Cap Capital - Upstate Regional Blueprint Fund – Business Investment (Capital Grant) – Findings and Determinations Pursuant to Sections 16-q and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

DRAFT – SUBJECT TO REVIEW AND REVISION

UPSTATE EMPIRE STATE DEVELOPMENT CORPORATION

Meeting of the Directors
Held at the New York City Regional Office
633 Third Avenue
New York, New York 10017

and

Buffalo Regional Office
95 Perry Street
Buffalo, New York 14203

February 16, 2012

MINUTES

**In Attendance
Directors:**

Julie Shimer (Chair)
Kenneth Adams
Sam Hoyt

**Present for Upstate
ESD:**

Stephen Gawlik, Deputy General Counsel
Frances A. Walton, Chief Financial Officer

Present for ESD:

Maria Cassidy, Deputy General Counsel
Robert Godley, Treasurer
Edwin Lee, Senior Project Manager – Loans and Grants
Sherri Lippowitsch, Vice President – Loans and Grants
Kathleen Mize, Controller
Deborah Royce, Assistant Corporate Secretary
Susan Shaffer, Vice President – Loans and Grants

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Also Present:

Robert McNary, Director - Finger Lakes Regional Office
Peter Wohl, Director - Capital Region Office
The Press
The Public

The meeting of the Upstate Empire State Development Corporation, a wholly-owned subsidiary of the New York State Urban Development Corporation d/b/a Empire State Development (“ESD”), was called to order at 10:04 a.m. by Chairperson Shimer. It was noted for the record that notices to the public and news media of the time and place of the meeting had been given in compliance with the New York State Open Meetings Law.

First, Chairperson Shimer noted that the public is free to comment on any matters on the Agenda.

The Chairperson then called for a motion to approve the Minutes of the December 14, 2011 Directors’ meeting. Upon motion duly made and seconded, the following resolution was unanimously adopted:

**APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE DECEMBER 14 ,
2011 MEETING OF THE DIRECTORS OF THE CORPORATION FOR UPSTATE EMPIRE STATE
DEVELOPMENT CORPORATION**

RESOLVED, that the Minutes of the meeting of the Corporation held on December 14, 2011, as presented to this meeting, are hereby approved and all actions taken by the Directors present at such meeting, as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

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* * *

Chair Shimer then asked Mr. Wohl to present the Albatros North America Upstate Regional Blueprint Fund item for the Directors' consideration.

Mr. Wohl explained that the Directors were being asked to approve a \$400,000 convertible loan to Albatros North America d/b/a SEPSA, a global manufacturer of subway and railcar power converting controls communication systems.

Mr. Wohl further noted that the Company is headquartered in Saratoga County and that the nearly \$4,000,000 project included, among other things, the acquisition of property and the construction of a 1,000 square foot facility as well as the purchase and installation of machinery, equipment, furniture and fixtures.

In addition to retaining 46 jobs, Mr. Wohl continued, the Company has committed to creating 34 new jobs within five years. Two of those jobs, he added, have already been created.

Following the full presentation, Chair Shimer called for questions or comments. Director Hoyt asked if the Company made traditional subway cars as well. Mr. Wohl explained that the Company does not manufacture subway cars but rather produces the power converting systems and security communications systems for subway cars.

Director Hoyt asked if this involved Amtrak type passenger trains or only subway trains.

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Mr. Wohl stated that the Company manufactures the electrical systems for both types of trains but not the actual trains.

Director Adams asked if it was correct that this is another upstate manufacturer that benefits from contracts through the MTA Capital Plan and Mr. Wohl stated that that was correct.

Director Adams further noted that there is a very helpful and healthy relationship between the MTA Capital Plan and upstate manufacturers and the instant project is an example of that.

There being no further questions or comments, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Ballston Spa (Capital Region – Saratoga County) – Albatros North America URB Capital – Upstate Regional Blueprint Fund - Business Investment (Convertible Loan) – Findings and Determinations Pursuant to Sections 16-q and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Loan and a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Upstate Empire State Development Corporation (the “Corporation”), relating to the Albatros North America URB Capital -- Upstate Regional Blueprint Fund - Business Investment (Convertible Loan) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the Project submitted to

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this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Albatros North America d/b/a SEPSA North America a loan for a total amount not to exceed Four Hundred Thousand Dollars (\$400,000) from the Upstate Regional Blueprint Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the loan and grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the loan or grant or collateral securing the loan as he or she may deem necessary or appropriate in the administration of the loan and grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

Ballston Spa (Capital Region – Saratoga County) – Albatros North America URB Capital – Upstate Regional Blueprint Fund – Business Investment (Convertible Loan) – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Albatros North America URB Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

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Mr. McNary then asked the Directors to authorize the Corporation to make a \$300,000 Upstate Regional Blueprint Fund convertible loan to Cannon Tube Fabrications, a State-certified minority-owned business which is a leader in contract manufacturing of products involving sheet metal and custom welding.

The loan will be used, Mr. McNary explained, to assist in the acquisition of land and building. Mr. McNary added that the funds will also be used to assist with renovations and the purchase of machinery and equipment to add a new product line. As a result of the project, Mr. McNary explained, the Company will retain 14 jobs and create 70 jobs by 2017.

Following the full presentation, Chair Shimer called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Rochester (Finger Lakes Region – Monroe County) – Cannon Tube Fabrication URB Capital – Upstate Regional Blueprint Fund – Business Investment (Convertible Loan) – Findings and Determinations Pursuant to Sections 16-q and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Loan and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Cannon Tube Fabrication URB Capital -- Upstate Regional Blueprint Fund – Business Investment (Convertible Loan) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the Project submitted to

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this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to 545 Colfax, Inc. d/b/a Cannon Tube Fabrication a loan for a total amount not to exceed Three Hundred Thousand Dollars (\$300,000) from the Upstate Regional Blueprint Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the loan and grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the loan or grant or collateral securing the loan as he or she may deem necessary or appropriate in the administration of the loan; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

There being no further business, the meeting was adjourned at 10:12 a.m.

Respectfully submitted,

Deborah Royce
Assistant Corporate Secretary

FOR CONSIDERATION

March 27, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Derby (Western New York – Erie County) – New Era Cap Capital – Upstate Regional Blueprint Fund – Business Investment (Capital Grant)

REQUEST FOR: Findings and Determinations Pursuant to Sections 16-q and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

General Project Plan

I. Project Summary

Grantee: New Era Cap Co., Inc. (“New Era” or the “Company”)

UESD* Investment: A grant of up to \$900,000 to be used for a portion of the cost of infrastructure improvements and the acquisition of new machinery and equipment.

* The Upstate Empire State Development Corporation (the “Corporation”), a subsidiary of the New York State Urban Development Corporation doing business as the Empire State Development Corporation (“ESD”).

Project Locations: 8601 Erie Road, Derby, Erie County **
160 Delaware Avenue, Buffalo, Erie County

**Project activity at Derby site; job-retention at both locations

Proposed Project: Infrastructure improvements; demolition and the purchase of machinery and equipment and furniture, fixtures and equipment associated with the consolidation of manufacturing operations.

Project Type: Consolidation of operations involving job retention and creation.

Regional Council: The Western New York Regional Council has been made aware of this item. The project predates the Regional Council Initiative. The incentive proposal was accepted in June 2010.

Employment: Initial employment at time of ESD Incentive Offer: 511
Current employment level: 684
Minimum employment on January 1, 2012: 536

II. Project Cost and Financing Sources

| <u>Financing Uses</u> | <u>Amount</u> | |
|----------------------------------|--------------------|--|
| Infrastructure Improvements | \$1,967,000 | |
| Demolition | 58,000 | |
| Furniture, Fixtures & Equipment | 59,600 | |
| Production Machinery & Equipment | 1,069,000 | |
| Soft Costs | <u>29,400</u> | |
| Total Project Costs | <u>\$3,183,000</u> | |

| <u>Financing Sources</u> | <u>Amount</u> | <u>Percent</u> |
|--------------------------|--------------------|----------------|
| ESD-Grant | \$ 900,000 | 28% |
| Company Equity | <u>2,283,000</u> | <u>72%</u> |
| Total Project Financing | <u>\$3,183,000</u> | <u>100%</u> |

III. Project Description

A. Background

Industry: The Company is the largest sports-licensed headwear manufacturer in the world, with licensing contracts with Major League Baseball, National Basketball Association, National Football League and the National Hockey League.

Company History: Founded in 1920 in Buffalo.

Ownership: Privately held

Size: The Company's headquarters facility is located in Buffalo, NY and its manufacturing facility is located in Derby. It also has nine marketing/sales offices in the United States, Canada, Europe and Asia. The Company is the only headwear manufacturer that operates domestic manufacturing

facilities. It employs over 1,500 people worldwide.

Market: The Company continues to develop innovative new products to serve its core markets including action-sport, children's, corporate, fan, performance, suburban, urban and women's apparel, which enables the Company to meet growing demand for headwear around the world. New Era sells its products to major retailers and competes against Reebok, Adidas, Solomon and Nike brands.

ESD Involvement: In late 2009, New Era advised ESD that to remain competitive due to a downturn in the economy, it needed to consolidate its two manufacturing facilities and one distribution operation into one facility. On June 4, 2010, New Era accepted ESD's offer of a \$900,000 capital grant resulting in the Company's decision to expand its operations at the Derby facility. Without ESD assistance, 300 jobs would have likely been relocated out of state.

Competition: The Company was considering undertaking the consolidation project in Demopolis, AL or Derby, NY. The New York State facility was at a disadvantage as Alabama offered to pay for a building expansion to accommodate the consolidation of operations in Demopolis.

Past ESD Support: In April 2007, ESD approved a \$4,350,000 grant to assist the Company with its efforts to establish its new corporate headquarters at the former Federal Reserve Building in Buffalo and expand its manufacturing capacity at the Derby facility. The employment goals of this project were revised to ensure that the Company could successfully complete its project. In addition, the Company is required to document project costs from its April 2007 project in order to be eligible for funding in the current action. New Era is currently in compliance with the terms of the grant.

B. The Project

Project Completion: February 2012

Activity: The project involves infrastructure improvements, demolition of two small unused structures, furniture, fixtures and equipment, and new production equipment necessary to accommodate the consolidation of manufacturing and distribution operations to the Derby facility. The Demopolis, Jackson and Mobile, AL manufacturing and distribution facilities were closed in late 2010.

The Company has requested, through a confidentiality agreement, that its financial information be shared with the Directors but not be available for public review. ESD's Project Finance team has reviewed the Company's

financials and has determined that the Company is in reasonable financial condition.

Results:

The project will increase the Company's manufacturing capacity, implement "lean" manufacturing, retain 511 jobs and create 25 new jobs by January 1, 2012. The Grantee has already created 173 jobs, exceeding its job commitment.

Evaluated over a seven-year period, the following are anticipated project impacts (dollar values are present value):

- Fiscal benefits to NYS government from the project are estimated at \$17,527,774;
- Fiscal cost to NYS government is estimated at \$5,522,982;
- Project cost to NYS government per direct job is \$17,200;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$8,540;
- Ratio of project fiscal benefits to costs to NYS government is 3.17:1;
- Fiscal benefits to all governments (state and local) are estimated at \$29,970,518;
- Fiscal cost to all governments is \$6,133,251;
- All government cost per direct job is \$19,100;
- All government cost per total job is \$9,483;
- The fiscal benefit to cost ratio for all governments is 4.89:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$159,899,215, or \$247,238 per job (direct and indirect);
- The economic benefit to cost ratio is 26.07:1;
- Project construction cost is \$10,004,207, which is expected to generate 106 direct job years and 72 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 1.02 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is two years.
(See Project Summary Benefit-Cost Evaluation attached for detail and definitions.)

Grantee Contact:

Mr. Raymond L. Barry, CFO
160 Delaware Avenue
Buffalo, NY 14202
Phone: (716) 604-9000 Fax: (716) 562-3050

ESD Project No.:

X083

| | | |
|---------------|--------------------|----------------|
| Project Team: | Origination | Christina Orsi |
| | Project Management | Jean Bly |
| | Affirmative Action | Helen Daniels |
| | Finance | Ross Freeman |
| | Environmental | Soo Kang |

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$900,000 capital grant (\$9,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after ESD's announcement of the project. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Locations for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Locations for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
5. Up to \$900,000 will be disbursed to Grantee upon documentation completion of the project substantially as described in these materials; documentation of project costs totaling \$21,200,842 (including establishing headquarters/expanded manufacturing capacity expenditures of \$18,035,842 (project no. T725 approved April 2007) and consolidation project expenditures of \$3,165,000); and documentation of the employment of at least 536 Full-time Permanent Employees at the Project Locations (Employment Increment of 25), assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenditures must be incurred on or after January 22, 2010, to be considered eligible project costs. All disbursements must be requested by April 1, 2014.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$900,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the Employment Shortfall occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

- (i) 100% of the disbursed amount if the Employment Shortfall occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
- (ii) 80% of the disbursed amount if the Employment Shortfall occurred in the second full calendar year after the disbursement was made;
- (iii) 60% of the disbursed amount if the Employment Shortfall occurred in the third full calendar year after the disbursement was made;
- (iv) 40% of the disbursed amount if the Employment Shortfall occurred in the fourth full calendar year after the disbursement was made;
- (v) 20% of the disbursed amount if the Employment Shortfall occurred in the fifth full calendar year after the disbursement was made.

The Grantee's number of Full-time Permanent Employees shall be deemed to be the greater of the number as of the last payroll date in the month of December for such year or the average employment for the 12 month period computed by quarter.

| | |
|---------------------|-----|
| Baseline Employment | 511 |
|---------------------|-----|

| A | B |
|------------------|------------------|
| Reporting Date | Employment Goals |
| February 1, 2013 | 511+X |
| February 1, 2014 | 511+X |
| February 1, 2015 | 511+X |
| February 1, 2016 | 511+X |

X = Grantee's Employment Increment that will be the basis of the First Disbursement of the Grant as described in section C.5 above (i.e. X=25, and Employment Goals shall equal [511 + X = 536] if the First Disbursement is made, in the year such disbursement is made and for each year thereafter). If the First Disbursement has not yet been made then X=0.

IV. Statutory Basis

This project is authorized under Section 16-q of the New York State Urban Development Corporation Act (the "Act") and satisfies the eligibility criteria in the Act and the rules and regulations for the Upstate Regional Blueprint Fund Program. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

ESD staff has determined that although the funding of the project by ESD may constitute an "action" as defined by SEQRA, the project itself has been previously completed. ESD's action in the funding decision will not alter the adverse environmental impacts, if any, of the project as completed. ESD staff accordingly believes that funding the completed project will not have any significant adverse impacts on the environment. Therefore, it is recommended that the Directors make a Determination of No Significant Effect on the Environment.

VI. Affirmative Action

ESD's Non-Discrimination and Affirmative Action policy will apply. The client is encouraged to include minorities and women in any job opportunities created by the Project and to solicit and utilize Minority and Women-owned Business Enterprises for any contractual opportunities generated in connection with the Project.

VII. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

VIII. Additional Submissions to Directors

Resolutions

New York State Map

Cost-Benefit Analysis

March 27, 2012

Derby (Western New York Region – Erie County) – New Era Cap Capital – Upstate Regional Blueprint Fund – Business Investment (Capital Grant) – Findings and Determinations Pursuant to Sections 16-q and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the New Era Cap Capital – Upstate Regional Blueprint Fund – Business Investment (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to New Era Cap Co., Inc. a grant for a total amount not to exceed Nine Hundred Thousand Dollars (\$900,000) from the Upstate Regional Blueprint Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

March 27, 2012

Derby (Western New York Region – Erie County) – New Era Cap Capital – Upstate Regional Blueprint Fund – Business Investment (Capital Grant) – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the New Era Cap Capital – Upstate Regional Blueprint Fund – Business Investment (Capital Grant) Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

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