

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
44 Hawley Street
Binghamton, New York 13901
Friday, November 9, 2007 - 12:00 p.m.

SYNOPSIS OF MEETING

PRESENT: G. Akel, V. Pasquale, P. Hankin, E. Burns, B. Fiala, K. McLaughlin and S. Herz

ABSENT: W. Tastle, J. Rounds

GUESTS: Darcy Fauci, Director, Economic Development, Broome County

COUNSEL: Joseph Meagher

STAFF: R. D'Attilio, T. Gray, P. Doyle, R. Fiato and S. Reding

PRESIDING: George Akel, Chairman

ITEM # 1. APPROVE MINUTES, October 12, 2007 MEETING: Chairman Akel called the meeting to order at 12:00 p.m. requesting a motion to approve the minutes of the October 12, 2007 meeting of the Board of Directors.

MOTION: To approve the minutes of the October 12, 2007 meeting of the Board of Directors. On a MOTION by Mr. Pasquale, seconded by Mr. McLaughlin the MOTION CARRIED UNANIMOUSLY.

ITEM # 2. PUBLIC COMMENT: There were no public comments.

MOTION: No motion necessary.

ITEM # 3. EXECUTIVE DIRECTOR'S REPORT: Updates – Mr. D'Attilio informed the Board that the 2008 BCIDA budget was nearing completion and should be available at the December 14, 2007 Board Meeting. Mr. D'Attilio did not anticipate that the expense of the Charles St. Business Park would be in the budget. Mr. D'Attilio asked for guidance from the Board regarding the Agency's support of the Dick's Open. After some discussion, the Board decided to sponsor the Dick's Open for \$50,000 in 2008.

Internal Financial Statements -There were no changes to the Internal Financial Statements at this time.

MOTION: No motion necessary.

ITEM # 4. LOAN FUNDS AVAILABILITY AS OF OCTOBER 31, 2007: Mr. Gray presented the Loan Funds Availability report to the Board. The balances available to are \$112,476.44 (STEED) and \$449,915.86 (TITLE IX). Mr. Gray also mentioned to the Board that there is approximately \$334,000 in STEED funds available in Washington, D.C.

MOTION: No motion necessary.

ITEM # 5. RESOLUTION TO APPROVE STEED LOAN WRITE-OFF FOR AJS CONTROLS, INC.: Mr. Gray discussed with the Board the request for a STEED loan Write-Off for AJS Controls, Inc. formerly located at 8A Winkler Road in Sidney, New York. Mr. Gray stated to the Board that on January 5, 2000, the BCIDA entered into a loan agreement with Debbie and Alex Spaziani to assist them in the acquisition of the property and building at 8A Winkler road, Sidney, New York. STEED funds of \$169,000 were lent for a term of 15 years with a 15 year maturity at a fixed interest rate of 6.25%. Mr. Gray stated that the Spazianis made regular principal and interest payments of \$1,449.04 a month until September 9, 2006 when payments abruptly ended. The principal balance at the time was \$113,583.27. Their operating company, AJS Controls, Inc. went out of business shortly thereafter. Mr. Gray went on to explain that the BCIDA staff and counsel initially entertained several workout options proposed by the primary lender in the project,

Wilbur National Bank. When none of the options proved viable, Wilbur began the foreclosure process which would have resulted in the nullification of the BCIDA's second mortgage. Mr. Gray explained that at the same time it became apparent that Wilbur Bank was negotiating with a prospective buyer for the Winkler Road Property. At this time, the BCIDA intervened and began negotiations with bank representatives resulting in the BCIDA receiving \$100,000 of the \$113,583.27 owed. Mr. Gray noted that this agreement resulted in a remaining principal balance of \$13,583.27 on the STEED loan. Mr. Gray explained that since there is no reasonable chance of recovering the balance of the loan, staff and counsel recommend that the balance of the loan be written off.

MOTION: Resolution to approve the STEED Loan Write-Off for AJS Controls, Inc. On a MOTION by Mr. Pasquale, seconded by Mr. Hankin, the MOTION CARRIED UNANIMOUSLY.

ITEM # 6. A SUBORDINATION REQUEST FROM ECM PROPERTIES, INC. (WESTCODE) TO SUBORDINATE TO ADDITIONAL DEBT

Mr. Gray presented to the Board a request from STEED borrower Westcode Holdings, LLC (formerly ECM Properties, LLC) to subordinate to new debt. Mr. Gray explained that Westcode Holdings is a real estate holding company owned by Mr. Edward Widdowson, also the owner of Westcode Inc., located on Airport Road in the Town of Maine. Westcode designs and manufactures air conditioning units, door closure systems and related products on a contract basis for rail car customers throughout North America. The company is in the process of expanding its facility on Airport Road in what may be Phase I of a two-part expansion project. Mr. Gray explained to the Board that Westcode has secured additional financing for the addition to its facility. The financing is contingent on the subordination of the BCIDA's existing second mortgage position. Mr. Gray recommended that the Board approve this request for the following reasons:

- (1) Adequate cash to support the additional debt
- (2) Borrower has an exemplary payment history
- (3) Borrower has far exceeded its job creation requirements
- (4) Expansion plans are expected to create 90 new full-time jobs.

MOTION: To approve the resolution authorizing subordination request from ECM Properties, Inc. (Westcode) to subordinate to additional debt. On a MOTION by Mr. Herz, seconded by Mr. McLaughlin, the MOTION CARRIED UNANIMOUSLY.

ITEM # 7. EXECUTIVE SESSION: Chairman Akel requested a motion that the Board convene to executive session to discuss confidential plans of certain agency clients, prospects, projects and personnel matters.

MOTION: To convene to executive session. On a MOTION by Mr. Pasquale, seconded by Mr. Burns, the MOTION CARRIED UNANIMOUSLY

ITEM # 8. RESUMPTION OF PUBLIC SESSION: Chairman Akel requests a motion to reconvene into Public Session.

MOTION: To reconvene back to Public Session. On a MOTION by Mr. McLaughlin, seconded by Mr. Hankin, the MOTION CARRIED UNANIMOUSLY.

OLD BUSINESS: Chairman Akel inquired with the Board regarding whether the day and time of the Board of Directors Meeting was a conflict for any of the Board Members. It was the consensus of the Board that the day and time should remain the same.

MOTION: No motion necessary.

ITEM # 9. ADJOURNMENT: Chairman Akel requested a motion for adjournment.

MOTION: On a MOTION by Mr. Burns seconded by Mr. McLaughlin, the meeting was adjourned, and the MOTION CARRIED UNANIMOUSLY.

The next scheduled Board Meeting of the BCIDA Board of Directors is December 14, 2007 at 12:00 p.m., at 44 Hawley Street, 6th Floor, Large Legislative Conference Room, Binghamton, NY.