

**City Of Buffalo Urban Renewal Agency
Loan Committee Meeting
Loan Committee Meeting Minutes for March 6, 2014**

1.0 Members Present

Brendan Mehaffy, Vice Chairman
Commissioner Donna Estrich
Council President Darius Pridgen
Timothy Ball, Corporation Counsel

Staff Present

Scott C. Billman
Rebecca Gandour
Thomas Baines
Aubrey Hlvarty
Risë Geller
Lynn Urbanski
Michael Taylor, NYBDC

2.0 Mr. Mehaffy called the meeting to order at 9:40 am. Mr. Ball made the motion to waive the reading of the minutes from the February 6, 2014 meeting, and that they are accepted; seconded by Council President Pridgen and carried unanimously.

3.0

3a. Economic Development

Michael Taylor of New York Business Development Corporation (“NYBDC”), BURA is Economic Development Loan Manager, provided the following information to the Committee and request for modification of the loan terms for the Tischman Building Project.

This modification serves to release the requirement for Hamister Hospitality North Carolina LLC to be named as a co-borrower on the loan. Both M&T Bank as lead lender and First Niagara Bank as the HTC Investor have raised issue with this entity named as co-borrower when they are not so named in their respective structures. Neither entity wishes to amend their loan structure to include this at this time. In addition, the Hamister Group is concerned that if Hamister Hospitality North Carolina were to guaranty the debt, it would have a contingent liability that would create an impediment to the entity’s ability to borrow in the future.

The assignment of leases from Hamister Hospitality North Carolina to the Master Tenant serves as adequate collateral to meet the purpose of naming the entity as a co-borrower. In addition, the personal guaranty of Mark Hamister, the majority owner in all entities, serves to provide ample support for the proposed credit.

The modification dated 1-7-14 served to amend the sources and uses via a \$244,006 decrease in the financing costs. This represents a decrease in the anticipated interim interest needed as some of the funds will not be needed as quickly as originally anticipated. The decrease will be offset by a decrease in the use of the line of credit from \$909,006 to \$665,000. All other terms and conditions remain the same, including but limited to the following:

AS APPROVED

AS MOD 1/7/14

AS MOD 2/26/14

Co-Borrower:	Hamister Hospitality Wake, LLC	Same	Same
	Hamister Hospitality North Carolina, LLC		Remove

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Amount:	\$1,100,000	Same	Same
COBURA Portion:	\$1,100,000 (100%)	Same	Same
Type:	CDBG	Same	Same
Maturity:	10 / 7-9 years	Same	Same
Rate/Terms:	3.25% Fixed	Same	Same
Collateral:	<p>A 3rd mtg. in the amount of \$1,100,000 inclusive of an assignment of leases and rents on commercial property located at 447 Main Street (10 Lafayette Square), Buffalo, NY, subject to a 1st mtg. held by M&T Bank not to exceed \$17,000,000 and a 2nd security interest held by M&T Bank in the amount of \$9,319,781. We will require an "as-completed" real estate appraisal reflecting a minimum fair market value of \$35,478,827. LTV = 68%.</p>	Same	Same
	<p>A 3rd security interest in all F&F to be purchased with loan proceeds, subject to a 1st security interest held by M&T Bank not to exceed \$17,000,000 and a 2nd security interest held by M&T Bank in the amount of \$9,319,781.</p>	Same	Same
	<p>The subordination of \$5,325,200 in developer fees payable to Hamister Group, Inc. and management fees of 5.0% of annual revenues due to Hamister Hospitality Wake, LLC. P&I payments are allowed so long as no event of default has accrued.</p>	Same	Same
	<p>The borrower must maintain a DSCR of 1.10:1 as of 12/31/15 and 1.25:1 beginning 12/31/16. Mark Hamister must maintain a minimum liquidity of \$3.0 million and a global debt service</p>	Same	Same

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coverage ratio of 1.40:1.

Satisfactory receipt and review of the following: 1. Master Lease; 2. Lease between HH Tishman HTC Master Tenant LLC and the following Hamister Apartments, LLC, Hamister Group, Inc. & Hamister Hospitality North Carolina, LLC; 3. Operating Agreements for Hamister Hospitality Wake LLC and Hamister Hospitality North Carolina LLC; and 4. All applicable Management Agreements.

Same Same

Guarantors: Mark Hamister

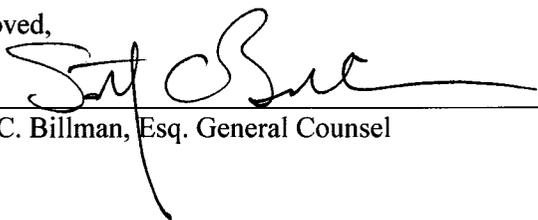
Same Same

Council President Pridgen made a motion to approve the modification, and incorporate this modification in the request to the Common Council for approval, and thereafter for approval by the BURA Board, seconded by Mr. Ball and carried unanimously.

4.0 Adjournment

Council President Pridgen made a motion to adjourn the meeting at 10:00 am, seconded by Mr. Ball and carried unanimously.

Approved,



Scott C. Billman, Esq. General Counsel