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November 8, 2017

David S. Mingoia
Executive Director
Town of Amherst Industrial Development Agency
4287 Main Street
Amherst, New York 14226

Re: The Summit Center, Inc.

Dear Mr. Mingoia:

Please find enclosed a Mortgage/Bond Financing Application submitted on behalf of The Summit Center, Inc. ("Summit"). We believe some explanation is required with respect to the application.

The bond financing is not a refinance of existing bonds. The bond proceeds will be utilized to refinance four separate mortgages currently held by M&T. The amount of the exempt financing will be approximately \$5,800,000. Due to some private use limitations and cost of issuance expenses, it is anticipated that an additional \$1,400,000 taxable bond may be required. It is not anticipated that the bonds will be bank qualified.

Also enclosed is Summit's check in the sum of \$500.00 for the application fee.

If you have any questions, please do not hesitate to call me at 716-629-3450.

Very truly yours,

Lisa A. Foti, CPA
Chief Financial Officer
The Summit Center, Inc.

14239756.1



*Amherst Industrial Development Agency
Amherst Development Corporation*

**Town of Amherst
Industrial Development Agency**

Mortgage/Bond Financing Application

Project Title: The Summit Center Campus Debt Consolidation

Project Applicant: The Summit Center, Inc.

Project Beneficiary: The Summit Center, Inc.

Amount of Original Issue: \$ 8.2M

Outstanding Principal Balance: \$ 7.2M

Select Bond Tax Status: Taxable or Tax-Exempt

Mortgage/Bond Purchaser: M&T BANK N/A

Date Mortgage/Bond Closed: Mortgages given on various dates

Amount of New Issue: \$5,800,000 Tax Exempt, \$1,400,000 Taxable

Select Bond Tax Status: Taxable or Tax-Exempt

Prospective Mortgage/Bond Purchaser: M&T/ Summit

Estimated Closing Date: Prior to 12/31/2017

Select Project Type:

- | | |
|---|---|
| <input type="checkbox"/> Industrial | <input type="checkbox"/> Producer Service |
| <input type="checkbox"/> Multi-Tenant | <input type="checkbox"/> General Office |
| <input type="checkbox"/> Commercial (Office) | <input type="checkbox"/> Commercial (Non-Office) |
| <input type="checkbox"/> Acquisition of Existing Facility | <input checked="" type="checkbox"/> Civic Facility (Not-for-Profit) |
| <input type="checkbox"/> Facility for the Aging | <input type="checkbox"/> Equipment Purchase |

3. Information on Existing Mortgage/Bondholder:

Name of Mortgage/Bondholder: M&T Bank , NA

Name of Officer: Susan Freed Oestreicher

Title: Vice President

Address: One Fountain Plaza,
12th Floor Buffalo NY 14203

Telephone # (716) 848-7721 Fax # (716) 848-7318

Email: sfreed-oestreicher@mtb.com

4. Information on Proposed Mortgage/Bondholder:

Name of Mortgage/Bondholder: Same as above

Name of Officer: _____

Title: _____

Address: _____

Telephone # (_____) _____ Fax # (_____) _____

Email: _____

5. Counsel to Mortgage/Bond Finance Applicant (if same as previous transaction, please so indicate):

Name of Attorney: Gary Maas

Name of Firm: Barclay Damon

Address: The Avant Building

200 Delaware Ave., Suite 1200 Buffalo NY 14202

Telephone # (716) 858-3711 Fax # (716) 768-2711

Email: gmaas@barclaydamon.com

PART II – PURPOSE OF MORTGAGE/BOND FINANCING TRANSACTION

- 1. State principal amount of original issue: \$ 8.2M
- 2. State principal amount of new issue: \$ 5.8M (EST) non-taxable, \$1.4M (EST) taxable
- 3. Briefly summarize any changes in terms or conditions in the proposed financing package from your previous transaction (Please attach a copy of fully executed bank commitment):

All previous debt consists of variable rate mortgages payable to M&T bank and held on each of the operating facilities. _____

- 4. State purpose why this financing is being requested, including a summary of the application of proceeds:

This transaction is contemplated to consolidate all of the Agency's outstanding indebtedness related to its operating facilities to take advantage of the favorable tax status and resultant favorable interest rate and to hedge (fix) against rising interest rates. The application of proceeds will be used to refinance the existing outstanding debt and to cover bond issuance and closing costs. There is no new project money anticipated.

- 5. Will any proceeds of this new issue be used for any location other than the existing project location stated in this application? Yes x No []
If Yes, state location and explain:

All outstanding debt is being refinanced. Other operating locations, in addition to 150 Stahl Road include: 165 Creekside Drive, 25 Woodridge Drive, 55 & 75 Pineview all located in Amherst NY 14228

Should this project be subsequently found to be in violation of Article 18A of The New York State General Municipal Law, applicant acknowledges its absolute responsibility to repay all economic benefits received to date (with interest), as agent for the Town of Amherst Industrial Development Agency.

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY FEE SCHEDULE

Application Fee: At the time of application for approval by the Agency of any transaction there shall be a non-refundable application fee of Five Hundred Dollars (\$500.00).

For an extension of an inducement, each extension of six months shall require payment of one quarter of the Agency Administrative Fee.

Agency Administrative Fees:

1. New Projects

The Agency Administrative Fee for For-Profit Projects shall be the greater of: (a) one percent (1%) of the bond amount, if bonds are to be issued, (b) one percent (1%) of the mortgage amount, if a mortgage with note is utilized or (c) one percent (1%) of the project value. One quarter of the Agency Administrative Fee or .25% must be received by the Agency prior to the issuance of a Sales Tax Letter by the Agency except for installment sale transactions when the entire Agency Administrative Fee of 1% is due at time of the issuance of the Sale Tax Letter. The balance of the Agency Administrative Fee or .75% shall be due on the closing of the transaction.

2. Refinancings

The Agency Administrative Fee for For-Profit Re-financings shall be \$1,000 plus one percent (1%) of any new money being financed.

By way of illustration, if the Agency authorized a Project with a Project Cost of \$1,200,000, the initial Agency Administrative Fee payable would have been a total of \$12,000 with .25% or \$3,000 due at the time of the sales tax letter and \$9,000 payable at the closing. For purpose of illustration, we will assume that the Project was financed through bonds or a note and mortgage in the principal amount of \$1,000,000. At the end of five years, the Lessee comes to the Agency for assistance in refinancing the Project with a new borrowing of \$1,300,000. The Lessee will have to advise the Agency of the outstanding principal balance remaining on the bond or note. For purpose of illustration, we will assume that the principal balance has been reduced by \$100,000 leaving a remaining principal balance of \$900,000. The Lessee would have to pay an Agency Administrative Fee of 1% on the amount over the original \$1,200,000 authorized and for which the Agency Administrative Fee was paid or 1% of \$100,000 (\$1,000) plus an administrative fee of 1% on the difference between the \$1,000,000 originally borrowed and the remaining principal balance or 1% of \$100,000 (\$1,000) because that amount would also constitute new money. This would be in addition to the \$1000 refinancing fee for a total Agency Administrative Fee of \$3,000.

3. Second Mortgage

The Agency fee for a second mortgage is one half of one percent (.5%) for all projects requiring a second mortgage. If the project involves additional PILOT or sales tax benefits, then the fee is one percent (1%) and calculated as explained previously under "New Projects"

4. Sublease Approvals

The Agency fee for approval of a new sublease for the entire Project shall be \$500.

5. Approval of Lease Assignment and Assumptions

The Agency Administrative Fee for approval of Lease Assignments and Assumptions shall one percent (1%) of the Project Cost except as otherwise agreed to by the Agency

6. Tax-Exempt Financing

The Agency Administratively Fee for approval of all Tax-Exempt projects shall be one half of one percent (.5%) based on the issuance amount of the bond as agreed to by the agency. This is the fee regardless of whether it is a refinancing of a previous AIDA or ADC bond or a new issuance for a new project. For those bond issuances where a PILOT is necessary, the project fee is one percent (1%) and calculated as previously detailed under "**New Projects**". The fee is due in full at closing.

Bond Council fees will be charged separately, based upon time expended with respect to such project.

7. Additional Fees

Additional costs associated with meeting the Agency's current environmental policy are the responsibility of the Applicant.

If the Project Application is withdrawn or does not close, the Applicant is responsible for any costs, including Agency Counsel Fees, incurred by the Agency on behalf of the Project.

Agency Counsel Fees

<u>Bond/Mortgage/Lease Project Cost</u>	<u>Legal Fee</u>
to \$750,000	\$5,000*
\$750,001 to \$1,500,000	\$7,500
\$1,500,001 to \$3,000,000	\$10,000
\$3,000,001 to \$5,000,000	\$12,500
\$5,000,001 to \$10,000,000	\$15,000
above \$10,000,000	\$20,000 minimum with additional legal fees payable based upon the circumstances and work involved

* With respect to legal fees for Projects up to \$750,000, this Legal Fee would include only two drafts of documents. In addition, if due to delays caused by the Lessee or the Lender, the closing is delayed beyond a sixty day period from the date of the first draft, additional time may also be billed by Agency Counsel in his or her discretion. If further drafts are required or the closing is unreasonably delayed, additional time shall be billed at the hourly rate then in effect of Agency Counsel for the additional time only.

Legal Fees for refinancings shall be based upon the dollar amount refinanced in accordance with the above schedule. In the case of minor amendments of the prior loan documents, Agency Counsel Fees shall be charged on a time basis at the hourly rate then in effect for Agency Counsel. Agency Counsel shall determine whether the amendment to the prior loan documents is a minor amendment in his or her sole reasonable discretion.

<u>Normal Installment Sale Transactions</u>	<u>Legal Fee</u>
to \$750,000	\$3,000*
\$750,001 to \$1,500,000	\$5,000
\$1,500,001 to \$3,000,000	\$7,500
over \$3,000,000	\$10,000 minimum with additional legal fees payable based upon the circumstances and work involved

* With respect to legal fees for Projects up to \$750,000, this Legal Fee would include only two drafts of documents. In addition, if due to delays caused by the Lessee or the Lender, the closing is delayed beyond a sixty day period from the date of the first draft, additional time may also be billed by Agency Counsel in his or her discretion. If further drafts are required or the closing is unreasonably delayed, additional time shall be billed at the hourly rate then in effect of Agency Counsel for the additional time only.

Legal Fees for Assignment and Assumptions shall be on a time basis.

In addition to counsel fees, disbursement of up to \$1,000 will be added to each closing. If additional transcripts above the normal amount are required (5 for lease only and 7 for bond or mortgage transactions), they will be billed to reflect the additional copy cost and the additional binding costs and may exceed the \$1,000 total.

8. Enhancement/Neighborhood Redevelopment Projects

Projects in a designated Enhancement/Neighborhood Redevelopment Area that are only requesting a sales tax benefit are charged fees based on the schedule below. Projects exceeding \$300,000 are charged under the normal schedule above.

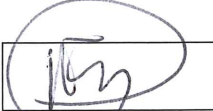
<u>Enhancement Area Installment Sale Only Transactions</u>	<u>Agency Fee</u>
For Sales Tax Only Projects with costs under \$100,000	\$500
For Sales Tax Only Projects with costs of \$100,000-\$200,000	\$1,000
For Sales Tax Only Projects with costs of \$200,000-\$300,000	\$1,500

Agency Legal Fees

For Sales Tax Only Projects with costs under \$100,000	\$450*
For Sales Tax Only Projects with costs of \$100,000-\$200,000	\$750*
For Sales Tax Only Projects with costs of \$200,000-\$300,000	\$1500*

*This is contingent on not more than two drafts (preliminary and final) and closing within 60 days sending of preliminary draft. If additional drafts are required or if closing period is extended for more than 60 days from the date of the preliminary draft, Agency Counsel reserves the right to charge for additional time.

The above Fees and Expenses Policies have been reviewed and accepted by the applicant.


Initial Here

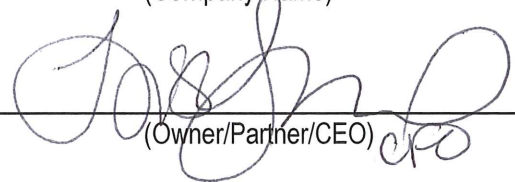
**TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY
INDUCEMENT RESOLUTION POLICY**

It shall be the policy of the Town of Amherst Industrial Development Agency that any inducement resolution adopted by the Board of Directors shall remain in full force and effect for a period of one (1) year from the date of its adoption. Thereafter, the Board of Directors may, in its discretion and upon good cause shown, adopt a further resolution extending the period of inducement for one (1) additional year from the date of the expiration of the original inducement. An Agency Extension Fee in the amount of \$500.00 shall be charged to the applicant for each such extension granted. Such Extension Fee shall be in addition to any other Administrative Fee or other fees incurred with respect to the project. Any request for an extension of the period of inducement beyond the one (1) additional year extension contemplated herein shall be addressed by the Board of Directors on a case-by-case basis.

THE SUMMIT CENTER, INC.

(Company Name)

By:

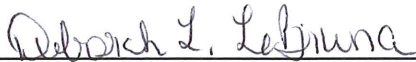


(Owner/Partner/CEO)

NOTARY

Sworn to before me this

day of November 8, 2017



Notary Public

DEBORAH L. LaBRUNA
Notary Public, State of New York
No. 01LA6364918
Qualified in Erie County
Commission Expires 09/25/2021

M&T Bank

One Fountain Plaza, Buffalo, NY 14203-1495
716 842 4200 FAX 716 848 7318
Western New York Commercial Banking Department

September 14, 2017

Ms. Lisa A. Foti, CPA
Chief Financial Officer
The Summit Center
150 Stahl Road
Getzville, NY 14068

Dear Lisa:

We are pleased to advise you of M&T Bank's interest in providing to The Summit Center the following facilities substantially according to the terms and conditions outlined herein (the "Term Sheet"). This Term Sheet is for discussion purposes only and merely serves as a description of the terms and conditions for the proposed facilities. This Term Sheet is not intended to be, nor should it be, construed as a commitment of the Bank to lend. The proposed facilities are subject to Bank Credit Approval as well as receipt of due diligence, analysis, and documentation satisfactory to the Bank and its Counsel.

Borrower:	The Summit Center (the "Borrower")
Purchaser:	M&T Bank or such wholly-owned subsidiary as the Bank may designate (the "Bank")
Issuer:	Buffalo and Erie County Industrial Land Development Corporation or some other entity to be determined ("ILDC or "the Issuer")
Facility Type:	Direct Purchase of Non-Bank Qualified Tax-Exempt Bonds by the Bank upon issuance.
Facility Amount:	Up to \$7,500,000, not to exceed 75% Loan-to-Value
Purpose:	Proceeds will be utilized to refund existing M&T Bank commercial mortgage loans, fund accrued interest and eligible closing costs.
Bond Maturity:	Twenty (20) years

M&T Bank

Mandatory Tender Date:	Ten years from closing. Eligible for extension and renewal at Ten (10) years. No earlier than 180 days nor later than 120 days prior to the Mandatory Tender Date, Borrower may request an extension of the Mandatory Tender Date. Any decision to extend the Mandatory Tender Date shall be at the sole discretion of the Bank.
Bond Amortization:	The Borrower shall pay monthly payments of principal plus monthly payments of interest to fully amortize the Refunding Bonds through Bond Maturity. Interest shall be paid on a 360-day year for actual days elapsed.
Pricing:	Variable Interest Rate calculated as follows: 75% of the 30-day LIBOR) plus an interest rate spread of 1.65% for 10-years, adjusted monthly. The current variable rate is 1.24%. The 10-year all-in rate as of today, if an interest rate swap was used to hedge the rate for 10-years is 3.24%.
Interest Rate Hedge Protection:	Borrower shall have the option of mitigating interest rate risk through the use of an interest rate derivative.
Structuring Fee:	A fee of 50 basis points on the principal amount of the Bonds (the "Structuring Fee") shall be fully earned by the Bank on the date of issuance and shall be payable on the date of issuance.
Financial Covenants:	The Borrower shall be required to maintain the following financial covenants: <ol style="list-style-type: none">1. Minimum Debt Service Coverage Ratio of 1.00:1.002. Maximum Non-Grant Funded Capital Expenditures of \$500,000 per year.3. Maximum Additional Indebtedness of \$100,000 per year.4. The Borrower shall maintain with the Bank its primary deposit accounts and treasury management so long as any credit facilities remain outstanding.
Defaults:	Standard and customary, including failure to pay principal interest and fees when due, loss of 501(c)(3) status, improper use of proceeds, loss of any necessary license charters, registrations or accreditations. These facilities shall be cross-defaulted with all existing and future debt of the Borrower.
Default Rate:	2.00 % above otherwise applicable rate.

M&T Bank

- Taxable Rate:** Conversion of the tax-exempt rate to a taxable rate
- Changes in Tax Law:** The tax-exempt rate will be subject to a tax-equivalency formula, which will cause the rate to change if M&T Bank's total tax liability increases or decreases due to a change either in (A) the corporate tax rate applicable to M&T Bank or (B) the tax-exempt status of the Bond (an "Event of Taxability").
- Increased Costs:** The financing documents will provide that if the Bank becomes subject to any reserve, special deposit, insurance premium, capital adequacy, liquidity requirement or similar requirement including by any change in any law, regulation, or official directive of any international, federal, state or local governmental authority (whether or not having the force of law) or by the interpretation thereof and the result is to increase, directly or indirectly, the cost to the Bank of maintaining the Bonds to reduce the amount of any sum received or receivable by the Bank under the Bonds, or to reduce the Bank's rate of return on its capital, the Borrower will pay to the Bank upon demand such amount in respect of such increased cost or reduction as the Bank may determine to be the additional amount required to compensate the Bank for such increased cost or reduction.
- Reporting Covenants:**
1. Annual audited financial statements of the Borrower, prepared by a CPA firm acceptable to the Bank, as soon as available and in no case later than 150 days of year-end, together with a covenant compliance certificate, signed by the Chief Executive Officer, President, Chief Financial Officer or Treasurer.
 2. Annual budget within sixty (60) days of Borrower's fiscal year end.
 3. Quarterly management-prepared financial statements within forty-five (45) days of the end of each fiscal quarter.
 4. Immediate notice of any notice or finding of deficiency with regard to required charters, licenses, registrations or accreditations, which shall be an Event of Default.

M&T Bank

Conditions Precedent to Closing:

1. Bank Credit Approval.
2. Receipt by the Borrower of all necessary approvals and consents from each agency or regulatory authority having jurisdiction over the Borrower or the Project, not less than twenty (20) days prior to the closing date.
3. Receipt of all fully executed governmental approvals and licenses not less than 20 days prior to the closing date.
4. Review of insurance policies.
5. Real estate due diligence to include appraisal and environmental reports, satisfactory to the Bank. Such reports shall be paid for at Borrower's expense.
6. Receipt and review by the Bank to its satisfaction of the mortgage title insurance policy.
7. Receipt of evidence that the mortgaged property is not located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards or, if located in such area, evidence that appropriate flood insurance has been obtained.

Documentation: All financing documents to be in form and substance satisfactory to the Bank and counsel to the Bank. The financing documents will include representations and warranties, affirmative and negative covenants and events of default customary for financings of this type and other terms deemed appropriate by the Bank in its discretion.

Governing Law: State of New York

Bank Counsel: Anthony D. Mancinelli
Harter Secrest & Emery LLP, Attorneys and Counselors
50 Fountain Plaza, Suite 1000, Buffalo, NY 14202-2293

Indemnity: The financing documents will provide that the Borrower will indemnify, pay and hold the Bank harmless against any loss, liability, cost or expense incurred in connection therewith or the use or the proposed use of proceeds thereof (other than any thereof resulting from the gross negligence or willful misconduct of the party to be indemnified).

Fees and Expenses: The Borrower will be responsible for all fees and necessary expenses in the normal course of preparation, negotiation and closing the facility as described above, including the reasonable fees and expenses of legal counsel.

Good Faith Deposit: In order to induce the Bank to consider this application and to initiate formal approval of this Term Sheet, the Borrower will agree to deposit with the Bank the sum of \$18,750 (one half of the Structuring Fee) as a good faith deposit. Such sum will be retained by the Bank and applied toward third party expenses. In the event that this Term Sheet is approved by the Bank, such sum will also be applied to the upfront fee. In the event the Bank rejects this Term Sheet, such good faith deposit shall be returned to the Borrower, without interest, less expenses incurred by the Bank. In the event the Borrower withdraws the application, despite the Bank's willingness to proceed based on the terms and conditions outlined herein, the entire amount of the good faith deposit plus any interest earned thereon shall be deemed to be an origination fee earned by the Bank in consideration for processing the application and will not be refunded.

The Borrower hereby authorizes the Bank to order appraisals, environmental reports, flood certification, title commitment, and property condition reports] and to fund the cost with the good faith deposit. The Borrower agrees that it will be responsible for the cost of such reports whether or not the facility closes.


This Term Sheet shall expire on the close of business on September 29, 2017 unless extended by the Bank in writing.

Please feel free to call or e-mail me with any questions or concerns at 716-848-7721.

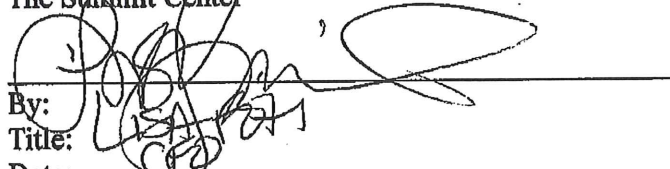
We look forward to working with you and continuing our relationship with The Summit Center.

Very truly yours,

M&T Bank

By: 
Susan Freed-Oestreicher
Vice President

Agreed and Accepted
The Summit Center


By: _____
Title: _____
Date: 9/15/2017