

BUFFALO ECONOMIC RENAISSANCE CORPORATION

Real Property Acquisition Policy

Dated: October 28, 2008

Section 2824(1)(e) of the Public Authorities Law requires local authorities to adopt a written policy governing the acquisition of real property. The following policy ("Policy") is hereby adopted pursuant to such requirement and shall be applicable with respect to the acquisition of real property and any interests therein ("Real Property") by the Buffalo Economic Renaissance Corporation ("BERC") and any affiliates that may hereafter be established by BERC and which are determined to be subject to the requirements of Section 2824(1)(e) of the Public Authorities Law (a "BERC Affiliate").

A. Acquisition Defined

"Acquisition", as used in this Policy, shall mean the following: to acquire real property in whole or in part by purchase, long-term lease, donation or otherwise. In order to be considered an acquisition, a permanent interest in the property must be obtained. Long-term leases are considered to constitute a permanent interest for purposes of this Policy if the lease is for a period of 15 years or more.

B. Acquisition of Real Property

Real Property may be acquired by BERC or a BERC Affiliate for use, development, resale, leasing or other uses designated by BERC or the BERC Affiliate.

The purpose of each acquisition of Real Property by BERC shall be to further one or more purposes of the BERC as authorized under BERC's enabling legislation (currently NY Not for Profit Corporation Law §1411).

The purpose of each acquisition of Real property by a BERC Affiliate shall be to further one or more purposes of the BERC Affiliate under its organizational documents or a resolution adopted by the Board of Directors of a BERC Affiliate, or for a purpose otherwise permitted under applicable state law.

Prior to each acquisition of Real Property, BERC or the BERC Affiliate will conduct such due diligence as it deems appropriate in accordance with the particular circumstances of the proposed acquisition. Unless otherwise determined by the President of BERC, such due diligence shall include, without limitation:

1. Real Property appraisal;
2. Real property structural/site inspection;
3. Current abstract of title;
4. Current survey;

5. SEQR Compliance;
6. Phase I environmental investigation report and Phase II if recommended in Phase I;
and
7. Tax water and user fee receipts.

From such due diligence, staff will determine a “cost to cure” estimate to get the Real Property into a condition acceptable to BERC (or the BERC Affiliate if applicable).

Such due diligence will also include verification of compliance with laws, rules and regulations applicable to the funding source(s) for the acquisition.

Unless otherwise determined by the President of BERC, such due diligence shall also include an analysis of the funding source(s) for the acquisition listed against the uses (including cost to cure environmental, structural and/or mechanical conditions). In the event that the acquisition is for purposes of a project (development or otherwise), the financial analysis shall be projected to the point where BERC (or BERC Affiliate if applicable) intends to sell or lease the Real Property. In the case of a project where BERC leases the Real Property to others, an analysis of the annual projected costs to operate (including periodic capital costs) shall be prepared with identified sources of funding to cover the operating costs.

C. Approval of Real Property Acquisitions

All acquisitions of Real Property shall be conducted in accordance with this Policy and applicable law. Proposed acquisitions of Real Property shall be presented to the Board of Directors of the BERC or the BERC Affiliate (as applicable) for approval or other appropriate action. In addition, proposed BERC acquisitions shall first be presented to the BERC Real Estate Committee for review and recommendation to the BERC Board of Directors.

D. Exemption for Certain BERC Acquisitions

This Policy shall not be applicable to any agreements or arrangements involving the BERC purchase or lease of real property owned by a county, city, town or village. All such transactions shall be governed by applicable statutes including, without limitation, NY Not-for-Profit Law §1411(d).

E. Amendment of Policy

This Policy may be amended or modified at any time by the Board of Directors of the BERC or the BERC Affiliate.

F. Effective Date

The effective date of this Policy shall be November 19, 2008.