

**Minutes for the October 3, 2007 meeting of the Directors of
The Village of Lancaster Community Development Corporation**

At 8:05 a.m. on October 3, 2007, President Jeffrey Stribing convened the meeting of the directors in the board room of the Municipal Building, 5423 Broadway, Lancaster, New York. Also present were Directors Robert Giza, Thomas Kazmierczak, Alan Kurtzman, Craig McRae, and John Mikoley, as well as consultants Mark Aquino, Stanley Keysa, William Schutt (from WSA), Thomas Malecki and Matt Montalba (from Drescher and Malecki).

Bob Giza moved to approve the minutes of the regular meeting held September 5, 2007; his motion was seconded by John Mikoley and unanimously approved.

Craig McRae moved to approve the minutes of the special meeting held September 19, 2007; his motion was seconded by Tom Kazmierczak and unanimously approved.

John Mikoley presented the treasurer's report, and recommended approval of the issuance of checks #1269-1278 in amount of \$35,083.63. Craig McRae then moved approval of the treasurer's report, seconded by Tom Kazmierczak and unanimously approved.

Tom Malecki and Matt Montalbo were introduced to the Directors and began a review of the draft audit report for the fiscal year ending May 31, 2007. They recommended greater internal controls and oversight by the directors over bank reconciliations, noting that full separation of accounting activities is difficult in an organization as small as that of the VLCDC. Mark Aquino said he had talked to Village Treasurer Mike Stegmeier and asked that Mike review the bank statements and checks. There should be a formal policy for an allowance for doubtful accounts. Tom noted there was no recognition of accrued interest, and that the special M&T loan was a demand loan which should be called a current liability. If it is, it results in a less desirable debt to income ratio. Drescher & Malecki will send a follow-up letter that will list deficiencies. Their final statement is to be issued on Monday.

Tom Kazmierczak then moved to receive and file the draft copy of the audit report; his motion was seconded by Bob Giza and unanimously approved.

Jeff Stribing reported he had scheduled a meeting on October 9th at 9:00 a.m. with David Rutecki of M&T Bank, and invited Craig McRae, John Mikoley, Richard Young and Joe Maciejewski to join him. He suggested that he, Stan and Mark meet at 8:00 a.m. to review Mark's strategy.

Jeff said he had also had contact with Bill Paladino and would meet with him next week, and with other developers on Friday.

Mark Aquino reported he was still trying to work out a solution regarding Southtown Sports, and that motions were due next week on the lawsuit by Harry Konst. Mark is still waiting to see if the insurance carrier will cover the cost of a trial.

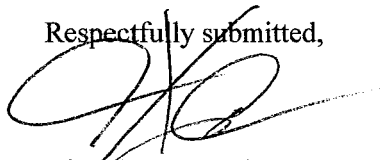
Regarding vacant properties Mark noted that the printer was still looking for more space. Discussion followed on the amount of rent to be asked.

William Schutt then addressed the directors in a follow-up to the meeting on September 16th. Much discussion followed regarding his recommendations and the future of the LVP Complex. Stan Keysa advised that the board set up a committee to meet with representatives of WSA to determine what were the most serious concerns. It was agreed the *ad hoc* committee would consist of Alan Kurtzman, John Mikoley and Mark Aquino. Consensus was that the final report by WSA would help Jeff in his meetings with developers and with the bank.

John Mikoley moved to direct VLCDC management to address the problems needing immediate response; his motion was seconded by Craig McRae and unanimously approved.

At 9:00 a.m., John Mikoley moved to adjourn, seconded by Bob Giza, and unanimously approved. **The next meeting of VLCDC directors will be held at the Board Room in the Lancaster Municipal Building at 8 a.m. on October 17, 2007.**

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'AK', written over the text 'Respectfully submitted,'.

Alan Kurtzman, Secretary