

TOWN OF CLARENCE, ERIE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

SPECIAL MEETING MINUTES
June 26, 2020 (Via ZOOM)

Chris Kempton called the meeting to order at 8:31 a.m.

Present were Peter DiBiase, Robert Dixon, Elaine Wolfe, Clayt Ertel, and Chris Kempton. Absent were Mary Powell and Patrick Johnson. Also present were Paul Leone, Steven Bengart, Kimberly Ignatowski and Cynthia Rosel.

CNB Bank d/b/a Bank on Buffalo Project:

Mr. Kempton said that the special meeting this morning was called for the Board members to consider a resolution regarding the merger of the Bank of Akron with CNB Bank d/b/a Bank on Buffalo. Mr. Leone read the following excerpt from the resolution for the Board:

**RESOLUTION OF THE TOWN OF CLARENCE, ERIE COUNTY, INDUSTRIAL DEVELOPMENT AGENCY
APPROVING THE MERGER OF BANK OF AKRON WITH CNB BANK d/b/a BANK ON BUFFALO**

WHEREAS, the Town of Clarence Erie County Industrial Development Agency (the "Agency") by resolution adopted on December 15, 2016 (the "Inducement Resolution") with respect to the acquisition and equipping by the Agency with the proceeds of a lease only transaction of a back office facility consisting of the renovation of an approximately 200 square foot portion of their existing building located at 9865 Main Street in the Town of Clarence, the construction of an approximately 1,300 square foot addition thereto and the acquisition and installation of machinery, equipment, furnishings and fixtures required in connection therewith, by the Lessee as agent for the Agency, for lease to the Agency and subsequent leaseback to the Lessee, all for a back office facility for lease, (the "Project"); and

WHEREAS, Bank of Akron has entered into an Agreement and Plan of Merger Agreement by and among Bank of Akron, CNB Financial Corporation and CNB Bank, dated December 18, 2019 (the "Agreement"), pursuant to which, Bank of Akron will merge with and into CNB Bank, with CNB as the surviving entity (the "Merger"); and

WHEREAS, as part of the Merger, CNB BANK d/b/a Bank on Buffalo will assume operation of the banking branch and back offices at 9865 Main Street, in addition to Bank of Akron's interest in the Project, which includes without limitation, the Lease to Agency and the Lease Agreement, which assumption requires the prior consent of the Agency; and accordingly, CNB Bank d/b/a Bank of Buffalo has requested that the Agency consent to such change of control in connection with the Merger; and

WHEREAS, the facility will remain a bank branch with back office operations; accordingly, the Payment in Lieu of Taxes ("PILOT") Provisions attached as Exhibit C to the Leaseback Agreement shall remain in full force and effect.

This resolution rescinds the previous resolution that was adopted on May 21, 2020 by the Board Members regarding the Bank on Buffalo Project. After discussions among the attorneys for the CIDA and the attorney for Bank on Buffalo, it was agreed that the resolution needed to be adopted by the Board regarding the merger pursuant to the language in the Lease Agreement with the Bank of Akron. The CIDA attorneys are in agreement and recommend that the Board adopt the resolution. Of course, that is, if it is the pleasure of the Board to do so. There was a motion by Chairman Kempton with a second by Clayt Ertel to adopt the resolution as presented and a copy of same be incorporated in the minutes as an attachment. Mr. Kempton asked if there was anything on the question. On the question, Steven Bengart said, once again, that the resolution was vetted by the attorneys, they approve it as to form and recommend adoption by the Board. There was nothing further on the question.

Vote: Ayes: DiBiase, Dixon, Wolfe, Ertel, And Kempton. Noes: None

Recuse: None. Absent: Johnson, Powell. Motion carried. Unanimous.

(Resolution attached hereto as "Exhibit A").

Even though it is not an agenda item, Mr. Kempton asked Paul Leone to report on potential new business been working on. Mr. Leone has been meeting with potential applicants on a proposed project on Wehrle Drive and also on County Road for a couple of months now. There is nothing definite and these are in the early stages of obtaining approvals. He will report back at the July meeting on the progress of these two potential projects.

There being nothing further, there was a motion to adjourn the meeting by Clayt Ertel with a second by Robert Dixon to adjourn the meeting at 850 a.m.

Meeting Adjourned at 8:50 a.m.

Next Meeting: July 16, 2020

**ATTACHMENT
EXHIBIT "A"**

RESOLUTION OF THE TOWN OF CLARENCE, ERIE COUNTY, INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE MERGER OF BANK OF AKRON WITH CNB BANK d/b/a BANK ON BUFFALO

WHEREAS, the Town of Clarence Erie County Industrial Development Agency (the "Agency") by resolution adopted on December 15, 2016 (the "Inducement Resolution") with respect to the acquisition and equipping by the Agency with the proceeds of a lease only transaction of a back office facility consisting of the renovation of an approximately 200 square foot portion of their existing building located at 9865 Main Street in the Town of Clarence, the construction of an approximately 1,300 square foot addition thereto and the acquisition and installation of machinery, equipment, furnishings and fixtures required in connection therewith, by the Lessee as agent for the Agency, for lease to the Agency and subsequent leaseback to the Lessee, all for a back office facility for lease, (the "Project"); and

WHEREAS, Bank of Akron has entered into an Agreement and Plan of Merger Agreement by and among Bank of Akron, CNB Financial Corporation and CNB Bank, dated December 18, 2019 (the "Agreement"), pursuant to which, Bank of Akron will merge with and into CNB Bank, with CNB as the surviving entity (the "Merger"); and

WHEREAS, as part of the Merger, CNB BANK d/b/a Bank on Buffalo will assume operation of the banking branch and back offices at 9865 Main Street, in addition to Bank of Akron's interest in the Project, which includes without limitation, the Lease to Agency and the Lease Agreement, which assumption requires the prior consent of the Agency; and accordingly, CNB Bank d/b/a Bank of Buffalo has requested that the Agency consent to such change of control in connection with the Merger; and

WHEREAS, the facility will remain a bank branch with back office operations; accordingly, the Payment in Lieu of Taxes ("PILOT") Provisions attached as Exhibit C to the Leaseback Agreement shall remain in full force and effect; and

WHEREAS, the Agency has determined that it is in the best interest of the Town of Clarence to consent to the change of control in connection with the Merger, which will allow the continued banking operations at that location and will maintain existing employment and economic activity in the Town of Clarence.

NOW, THEREFORE BE IT RESOLVED AS FOLLOWS:

Section 1. The Agency hereby consents to the change of control in connection with the Merger, pursuant to section 6 of the Leaseback Agreement dated as of September 1, 2017 between the Agency and the Bank of Akron, a memorandum of which was recorded in the Erie County Clerk's Office on September 11, 2017 in Liber 11318 of Deeds at Page 5504.

Section 2. The Chairman, Vice Chairman, Treasurer, Secretary, Assistant Secretary

or other officer of the Agency are hereby designated the authorized representative of the Agency, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits or other documents to do and cause to be done any and all acts and things necessary or proper for the carrying out of this resolution.

Section 3. The Agency agrees that it will waive the normal Agency Administrative Fees for the Merger but CNB BANK d/b/a Bank on Buffalo will reimburse the Agency for all its expenses in connection with this transaction, including reasonable legal fees, and by accepting this resolution they agree to such fees and consent to the transaction.

Section 4. That the May 21, 2020 resolution of this Board approving an assignment and assumption between Bank of Akron and CNB BANK d/b/a Bank on Buffalo is hereby rescinded in favor of this resolution consenting to the change of control in connection with the Merger of the two banks.

This resolution shall take effect immediately.

Adopted: July 26, 2020