



INFORMATION ABOUT THE TRANSFER OF LIDC ASSETS

Effective February 15, 2010 Empire State CDC will assume all servicing responsibility for the SBA 504 loan portfolio currently handled by Long Island Development Corporation (LIDC). The U.S. Small Business Administration ("SBA") has approved the transfer of the portfolio. In connection with this transfer LIDC has voluntarily surrendered its 504 license. In addition to the transfer of the loan portfolio, SBA has approved the transfer of all SBA 504 loan authorizations / commitments and loans in process to Empire State CDC.

Empire State CDC and its affiliate New York Business Development Corporation remain committed to small business and have demonstrated consistent leadership in providing access to capital to New York's small businesses. We are thoroughly conversant in the SBA 504 and 7(a) loan programs. Our focus is to assist our lending partners provide for their small business customers and to provide access to alternate sources of leveraged capital when the creditworthy small business is unable to obtain credit through conventional means. Cooperation, not competition, with our lending partners is the key to our success.

We will be increasing the staff in our Long Island office to address the increase in activity and to ensure that you continue to receive the same level of service that you have come to expect from Empire State CDC and NYBDC. Some of LIDC's staff will be moving to Empire State CDC. Both Empire State CDC and LIDC are committed to a smooth and orderly transition.

A few contact points –

- Carmine Fabio at LIDC will be coordinating the transfer of the authorizations / commitments and loans in process to Empire State CDC. Mr. Fabio will continue in the employ of LIDC until February 28, 2010. On March 1, 2010, Mr. Fabio will be appointed as a Vice President at Empire State CDC and will begin work at our Melville office. Mr. Fabio will continue to be the liaison for the loans originated by LIDC prior to February 15, 2010. After February 28, Mr. Fabio can be reached at (516) 845-2700 or by email at cfabio@nybdc.com.

- All servicing actions, questions or requests should be addressed to our Chief Administrative Officer – Executive Vice President Nancy Reinhart (518) 694-8575 or by email at nreinhart@nybdc.com.
- All loans will be closed by our closing counsel (Certilman, Balin et al. – Michael O’Shea, Esq.). The loan closing files will be transferred beginning today. The transfer of the files to our counsel will not result in any additional fees to your customer. Michael O’Shea can be reached at (516) 296-7128 or by email at moshea@certilmanbalin.com.
- All new loan applications and inquiries regarding the SBA 504 Loan Program should be addressed to our regional manager – Senior Vice President James Goldrick (516) 845-2700 or by email at jgoldrick@nybdc.com.
- I am available to discuss any question, comment or issue relating to the transition.

We will continue to be a responsive, creative and cost-efficient lending partner and look forward to a mutually rewarding relationship. I am always available to discuss any question, comment or issue.....I very much appreciate your feedback and suggestions. I can be reached on my direct line (518-694-8458) by email (mackrell@nybdc.com) or by cell phone (518-469-6248).

I hope to meet with you personally in the near future.

Best regards,
Pat