

**N.F.C. DEVELOPMENT CORP.
INVESTMENT GUIDELINES**

These Investment Guidelines (“Guidelines”) are adopted as required by Section 2925 of the New York Public Authorities Law.

ARTICLE 1 Scope

These Guidelines shall govern the investment and reinvestment of Investment Funds and the sale and liquidation of investments, as well as the monitoring, maintenance, accounting, reporting and internal controls by and of N.F.C. DEVELOPMENT CORP. (NFC) with respect to such investment, sale, reinvestment and liquidation.

ARTICLE 2 Investment Objectives

NFC’s investment activities shall have as their first and foremost objective the safeguarding of the principal amount of the Investment Funds. Additional considerations regarding NFC’s investment activities shall be liquidity of investments, realization of a reasonable return on investments and diversification of investments.

ARTICLE 3 Permissible Investments. NFC may invest its Investment Funds in any and all of the following, if and to the extent permitted by statutes, regulations and bond resolutions applicable at the time of investment of such Investment Funds:

- a. Obligations of the State or the United States Government;
- b. Obligations the principal and interest of which are guaranteed by the State or the United States Government;
- c. Certificates of deposit, whether negotiable or non-negotiable, and banker’s acceptances of any of the fifty largest banks in the United States which bank, at the time of investment, has an outstanding unsecured, uninsured and unguaranteed debt issue ranked by two nationally recognized independent rating agencies at a rating category that is no lower than the then current rating of the Agency’s bonds, notes or other obligations.

ARTICLE 4 Operating Procedures. Only the following persons shall be authorized to make investments behalf of NFC: the Chairman of NFC’s Directors; and, other designated members of the Board. Any bank or trust company organized under the laws of any state of the United States of America or any national banking association authorized as an official depository of the City of Niagara Falls, New York may transact banking business with the Agency.