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A Resolution Approving the First Amendment to
The 2009 Settlement Agreement with the County of Erie

Approved October 30, 2012

WHEREAS, the Corporation and the County of Erie, New York (the "County") entered into a Settlement Agreement dated December 30, 2009 (the "Settlement Agreement") in an effort to resolve certain outstanding issues between these two governmental entities in the best interests of the citizens of Erie County; and

WHEREAS, since executing of the Settlement Agreement, the County and the Corporation have identified several issues that remain outstanding between them and believe it is in the continued best interests of the citizens of Erie County to amend the Settlement Agreement to resolve some of those issues; and

WHEREAS, since 2004, the County has been obligated to pay several million dollars for workers compensation benefits for former employees of the ECMC Healthcare Network, and likewise, the Corporation has incurred both expenses and liabilities for retiree health costs for persons previously in the employ of the County;

WHEREAS, the Corporation has negotiated in good faith with the County and has agreed to a First Amendment to the Settlement Agreement that creates an increased EOS credit in favor of the County while obligating the County to annually repay the Corporation for retiree health costs commencing in 2015;

NOW, THEREFORE, the Board of Directors resolves as follows:

1. The First Amendment to the Settlement Agreement executed by the Corporation's Chief Executive Officer and attached to this resolution is hereby ratified and approved.

2. Following approval of the First Amendment by the Erie County Legislature, the Corporation shall apply to New York State Supreme Court, County of Erie, for an order approving the First Amendment.

3. This resolution shall take effect immediately.

Bishop Michael A. Badger
Corporation Secretary