

The Auburn Industrial Development Authority met in special session at the Memorial City Hall, 24 South Street, in the City of Auburn, New York on August 17, 1998 at 6:00 p.m.

The meeting was called to order by the Chairman and, upon roll being called, the following were:

PRESENT: Mayor Christopher J. DeAngelis, Robert E. Hunter, Amy Hutchinson, Carl R. Castiglione, F. Michael Stapleton, John M. Brennan and Nicholas C. Valenti

ABSENT: Stephen C. Morin and Jane A. Thompson

ALSO PRESENT: Vijay Mital, Mimi Hoffman and Richard W. Cook and Joseph T. Mancuso of Hancock & Estabrook, LLP, counsel

The foregoing Resolution was duly moved by Mr. Valenti, seconded by Mr. Stapleton, discussed and put to a vote on roll call, which resulted as follows:

AYE

NAY

All Present

None

Resolution No. ____

RESOLUTION TAKING OFFICIAL ACTION TOWARD THE ISSUANCE OF BONDS IN AN AMOUNT SUFFICIENT TO FINANCE ACQUISITION OF A PARCEL OF LAND AND CONSTRUCTION OF A CERTAIN CIVIC FACILITY THEREON FOR BLUEFIELD MANOR HOUSING, INC., AND CALLING FOR A PUBLIC HEARING IN CONNECTION THEREWITH.

WHEREAS, the Auburn Industrial Development Authority (the "Authority") is authorized and empowered by the provisions of the Auburn Industrial Development Authority Act, Chapter 915 of the 1969 Laws of New York, constituting Title 15 of Article 8 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of New York, as amended (the "Act"), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, civic and research facilities, and facilities for use by a federal agency or medical facility, among others, and thereby to advance the job opportunities, health, general prosperity and economic welfare of the people of the City of Auburn and improve their medical care and standard of living;

WHEREAS, to accomplish its stated purposes, the Authority is authorized and empowered under the Act to issue its bonds to finance the cost of acquisition, construction and equipping of one or more "projects" (as defined in the Act), to acquire, construct and equip all said projects or to cause said projects to be acquired, constructed and equipped, and to convey said projects or to lease said projects with the obligation to purchase;

WHEREAS, Bluefield Manor Housing, Inc. (the "Company") has presented an application verified on July 14, 1998 (the "Application") to the Authority, a copy of which was presented at this meeting and copies of which are on file at the office of the Authority, requesting that the Authority consider undertaking: (i) to issue its bonds in one or more issues or series in the principal amount of approximately Five Million Two Hundred Thousand and 00/100 Dollars (\$5,200,000.00) (the "Bonds") in order to finance all or a portion of the cost of acquisition, construction and equipping of the project described in the following paragraph (the "Project"); (ii) to acquire, construct and equip the Project, or to cause the Project to be acquired, constructed and equipped; and (iii) to lease (with an obligation to purchase) or sell the Project to the Company or such other person as may be designated by the Company and agreed upon by the Authority;

WHEREAS, the Project consists of the following (all of which are collectively hereinafter referred to as the "Project"):

(i) acquisition of approximately sixteen (16) acres of land on Bluefield Road in the City of Auburn, New York;

(ii) construction thereon of an approximately 50,000 square foot congregate building surrounded by approximately nine (9) duplex buildings and approximately three (3) single buildings; and

(iii) installation therein of equipment and furnishings for use as housing facilities primarily designed to be occupied by individuals sixty (60) years of age or older.

WHEREAS, the Authority has given due consideration to the Application, and to representations by the Company that completion of the Project will not (a) result in the removal of a commercial, industrial or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York to another area of the State of New York or in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located in the State of New York, or (b) cost more than Fifteen Million and 00/100 Dollars (\$15,000,000.00);

WHEREAS, the Authority desires to encourage the Company to preserve and advance the job opportunities, health, general prosperity and economic welfare of the people of the City of Auburn, New York by undertaking the Project in the City of Auburn, New York;

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended, and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively, the "SEQR Act"), the Authority has made a preliminary determination that the Project will not have a significant effect on the environment;

WHEREAS, the Company has furnished (i) an analysis of the costs and benefits of the Project for the public to review and (ii) a letter dated July 17, 1998 outlining the manner in which it intends to award contracts for construction of the Project (the "Construction Letter"); and

WHEREAS, although the resolution authorizing the issuance of the Bonds has not yet been drafted for approval by the Authority, a preliminary agreement (the "Preliminary Agreement") relative to the proposed issuance of the Bonds by the Authority has been presented for approval by the Authority.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AUTHORITY AS FOLLOWS:

1. Based upon the representations made by the Company to the Authority, the Authority hereby makes the following findings and determinations with respect to the Project:

A. The Project constitutes a "project" within the meaning of the Act;

B. The completion of the Project will not result in the removal of a commercial, industrial or manufacturing plant of the Company or any other

proposed occupant of the Project from one area of the State of New York to another area of the State of New York or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located in the State of New York;

C. The financing by the Authority of the acquisition, construction and equipping of the Project, through the issuance of the Bonds pursuant to the Act, will promote the job opportunities, health, general prosperity and economic welfare of the inhabitants of the City of Auburn and the State of New York and improve their medical care and standard of living, and thereby serve the public purposes of the Act; and

D. It is desirable and in the public interest to issue the Bonds in a principal amount of not more than Five Million Two Hundred Thousand and 00/100 Dollars (\$5,200,000.00) for the purpose of financing the cost of acquisition, construction and equipping of the Project, together with necessary incidental expenses in connection therewith.

2. Subject to the conditions set forth in Paragraph 3 of this Resolution and the conditions set forth in the Preliminary Agreement, the Authority hereby authorizes the issuance of the Bonds in such principal amount and with such maturities, interest rate or rates, redemption terms and other terms and provisions as shall be determined by a further resolution of the Authority, said Bonds to be secured in such manner as the Authority, the Company and the purchasers of the bonds shall mutually deem appropriate.

3. The issuance of the Bonds, as contemplated by Paragraph 2 of this Resolution, shall be subject to : (i) compliance by the Authority with the provisions of the SEQR Act; (ii) execution and delivery by the Company of the Preliminary Agreement attached hereto as Exhibit A, setting forth certain conditions for the issuance of the Bonds; (iii) agreement by the Authority, the Company and the purchasers of the Bonds on mutually acceptable terms for the Bonds and for the sale and delivery thereof and mutually acceptable terms and conditions for the security for the payment thereof; (iv) agreement between the Company and the Authority as to payment by the Company of payments in lieu of taxes with respect to the Project, together with the administrative fee of the Authority with respect to the Project; and (v) if interest on the Bonds is to be treated as exempt from federal income taxation, all of the requirements of the Internal Revenue Code of 1986, as amended (the "Code") relating to the issuance of tax exempt obligations of the Authority shall have been met.

4. The issuance of the Bonds shall be further conditioned upon the Company having been granted all certificates, consents or other approvals as may be required by applicable law, compliance by the Company with the terms of the Construction Letter and the total cost of the Project not exceeding Fifteen Million and 00/100 Dollars (\$15,000,000.00).

5. The form, terms and provisions of the Preliminary Agreement are in all respects approved, and the Chairman (or Vice Chairman) and Secretary (or Assistant Secretary) of the Authority are hereby authorized, empowered and directed to execute, acknowledge and deliver said Preliminary Agreement in the name and on behalf of the Authority, said Preliminary Agreement to be substantially in the form attached hereto as Exhibit A, with such changes therein as shall be approved by the officers executing same on behalf of the Authority, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form now before this meeting.

6. From and after the execution and delivery of the Preliminary Agreement, the officers, agents and employees of the Authority are hereby authorized, empowered and directed to proceed with the undertakings provided for therein on the part of the Authority and are further authorized to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the terms and provisions of the Preliminary Agreement as executed.

7. Nothing contained in this Resolution shall be deemed to constitute a final approval by the Authority of the Project for the purposes of the SEQR Act. The officers, agents and employees of the Authority are hereby directed to proceed to comply with the provisions of the SEQR Act and to do such things or perform such acts as may allow the Authority to proceed to its final consideration of the Project.

8. The Company is hereby authorized to conduct such environmental, engineering, economic, feasibility and other studies and preliminary planning and budgetary processes as may support the final determination by the Authority whether to approve the Project, and is further authorized to advance such funds as may be necessary for such purpose, subject to reimbursement from the proceeds of the Bonds, if the Bonds are issued.

9. It is intended that this Resolution shall constitute an expression of the Authority's official intent pursuant to Treas. Reg. §1.150-2.

10. The Firm of Hancock & Estabrook, LLP is hereby retained as Bond Counsel and special counsel to the Authority with respect to all matters in connection with the Project.

11. A meeting of the members of the Authority will be held at such time as the Chairman may designate, at which time the Authority will conduct a public hearing on the issuance of the Bonds and the location and nature of the Project, and at which time the Authority will hear all persons interested in said matters.

12. The Secretary of the Authority is hereby authorized and directed to (i) cause notice of the public hearing described in paragraph 11 hereof to be given to the public by publishing a notice of said hearing in The Citizen, a newspaper of general circulation in the City of Auburn and in the area affected by the Project, not less than thirty (30) days before the hearing, such notice to be substantially in the form presented to this meeting, (ii) cause a report of the hearing fairly summarizing the views presented at the hearing to be promptly prepared and cause copies of said report to be made available to the members of the Authority and the City Council of the City of Auburn and (iii) to request the City of Auburn, through its elected City Council, to approve the issuance of the Bonds.

13. This Resolution shall take effect immediately.

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STATE OF NEW YORK)
COUNTY OF CAYUGA) SS.:

I, the undersigned Secretary of the Auburn Industrial Development Authority, do hereby certify:

That I have compared the foregoing extract of minutes of the meeting of the members of the Auburn Industrial Development Authority (the "Authority"), including the Resolution contained therein, held on August __, 1998 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (i) all members of the Authority had due notice of said meeting, (ii) said meeting was in all respect duly held, (iii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and public notice of the time and place of said meeting was given in accordance with said Section 104 and (iv) there was a quorum of the members of the Authority present throughout said meeting.

I FURTHER CERTIFY that as of the date hereof the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the said Authority this ____ day of August, 1998.

AUBURN INDUSTRIAL DEVELOPMENT
AUTHORITY



Vijay K. Mital, Secretary