

A regular meeting of Albany County Industrial Development Agency was convened in public session at the offices of the Agency located at 112 State Street in the City of Albany, Albany County, New York on December 4, 2002 at 5:30 o'clock, p.m., local time.

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

PRESENT:

Hon. Fowler J. Riddick	Chairman
Hon. Susan M. Burns	Secretary
L. Patrick Bender	Member
Hon. Gene Messercola	Member
Michael Paparian	Member
Theresa M. Ries	Member

ABSENT:

Hon. Gary W. Domalewicz

THE FOLLOWING PERSONS WERE ALSO PRESENT:

Dennis A. Feeney, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Bond Counsel

The following resolution was offered by L. Patrick Bender, seconded by Susan M. Burns, to wit:

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE BY ALBANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY OF ITS CIVIC FACILITY REVENUE BOND (LA SALLE SCHOOL PROJECT), SERIES 2002A IN THE PRINCIPAL AMOUNT OF THREE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$3,500,000) AND THE EXECUTION OF RELATED DOCUMENTS.

WHEREAS, Albany County Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 178 of the 1975 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of civic facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of

New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to issue its civic facility revenue bonds to finance the cost of the acquisition, construction and installation of one or more "projects" (as defined in the Act), to acquire, construct and install said projects or to cause said projects to be acquired, constructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, pursuant to an application (the "Application") submitted to the Agency by La Salle School (the "Institution") the members of the Agency, by resolution adopted on September 4, 2002 (the "Preliminary Inducement Resolution"), determined to issue its revenue bonds for the purpose of financing a portion of the cost of a project (the "Project") consisting of: (A) (1) the acquisition of an interest in a parcel of real estate containing approximately 6.13 acres located at 391 Western Avenue in the City of Albany, Albany County, New York (the "Land"), together with the existing buildings described as follows located on the Land: (a) the Tower Building containing approximately 18,200 square feet of space, (b) the Burke Building containing approximately 16,000 square feet of space, and (c) the Administration Building containing approximately 11,100 square feet of space (collectively, the "Facility"), (2) the reconstruction of the Facility, (3) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment") (the Land, the Facility and the Equipment being collectively referred to as the "Project Facility"), and (4) the refinancing of certain existing indebtedness incurred by the Institution in connection with the acquisition, construction, reconstruction, renovation and equipping of various portions of the improvements located on the Land, all of the foregoing to constitute a facility to be owned and operated by the Institution as an educational facility and for directly and indirectly related uses; (B) the financing of all or a portion of the costs of the foregoing by the issuance of its civic facility revenue bonds in one or more issues or series in an aggregate principal amount not to exceed \$3,500,000 (the "bonds"); (C) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from sales taxes, real estate transfer taxes and mortgage recording taxes (collectively with the Bond, the "Financial Assistance"); and (D) the sale of the Project Facility to the Institution; and

WHEREAS, in compliance with the provisions of Section 859-a of the Act, the Preliminary Inducement Resolution indicated that the undertakings of the Agency contained therein are contingent upon the Agency making a determination to proceed with the Project following compliance by the Agency with the public notice and public hearing requirements set forth in Section 859-a of the Act; and

WHEREAS, pursuant to the authorization contained in the Preliminary Inducement Resolution, the Chairman of the Issuer (A) caused notice of a public hearing of the Issuer pursuant to Section 859-a of the Act and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), to hear all persons interested in the Project and the financial assistance being contemplated by the Issuer with respect to the Project (the "Public Hearing") to be mailed

to the chief executive officer of the county and of each city, town, village and school district in which the Initial Project is to be located on September 12, 2002, (B) caused notice of the Public Hearing to be posted on September 12, 2002 on a bulletin board located on the first floor of 112 State Street in the City of Albany, Albany County, New York, and on a bulletin board in the Albany County Courthouse located in the City of Albany, Albany County, New York, (C) caused notice of the Public Hearing to be published on September 16, 2002 in the Albany Times Union, a newspaper of general circulation available to residents of the City of Albany, (D) conducted the Public Hearing on October 17, 2002 at 4:30 o'clock p.m., local time in the George E. Hanner Chapel/Cultural Center of the Institution located at 391 Western Avenue in the City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the "Report") which fairly summarized the views presented at said public hearing and distributed same to the members of the Issuer and to the County Executive of Albany County, New York; and

WHEREAS, the Institution has now requested that the Agency sell its Civic Facility Revenue Bond (La Salle School Project), Series 2002A in the principal amount of \$3,500,000 (the "Bond") to The Troy Savings Bank (the "Holder") for the purpose of providing funds to pay the costs of the Project, together with necessary incidental expenses in connection therewith; and

WHEREAS, on October 25, 2002, the County Executive of Albany County approved the Project and the issuance of the Bond in accordance with Section 147 of the Code; and

WHEREAS, in order to consummate the aforesaid financing, the Agency has been requested to enter into (A) a lease to agency dated as of December 1, 2002 (the "Underlying lease") from the Institution, as landlord, to the Agency, as tenant, (B) a bond purchase and building loan agreement dated as of December 1, 2002 (the "Bond Purchase Agreement") by and among the Agency, the Institution and the Holder, (C) a mortgage dated as of December 1, 2002 (the "Mortgage") from the Agency and the Institution to the Holder, (D) an installment sale agreement dated as of December 1, 2002 (the "Installment Sale Agreement") by and between the Agency and the Institution, (E) a pledge and assignment dated as of December 1, 2002 (the "Pledge and Assignment") from the Agency to the Holder and (F) an assignment of rents dated as of December 1, 2002 (the "Assignment of Rents") from the Agency and the Institution to the Holder;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF ALBANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) The Project constitutes a "project," as such term is defined in the Act; and

(C) The undertaking and completion of the Project Facility and the sale of the Project Facility on an installment basis to the Institution will promote and maintain the job opportunities, general prosperity and economic welfare of the citizens of Albany County, New York and the State of New York and improve their standard of living; and

(D) It is desirable and in the public interest for the Agency to issue and sell its Bond in the principal amount of Three Million Five Hundred Thousand Dollars (\$3,500,000) upon the terms and conditions set forth in the Bond Purchase Agreement for the purpose of financing a portion of the costs of the undertaking and completion of the Project, together with necessary incidental expenses in connection therewith; and

(E) Under Section 145 of the Internal Revenue Code of 1986, as amended, and the applicable regulations of the Department of the Treasury promulgated thereunder (hereinafter collectively referred to as the "Code"), the interest on an issue of development revenue bonds, issued by a political subdivision of a state for certain facilities owned and operated by not-for-profit organizations as described in Section 501(c)(3) of the Code is exempt from gross income for federal income tax purposes, subject to the limitations and restrictions of the Code, including (1) satisfaction of the public hearing and public approval requirements of Section 147(f) of the Code and Section 895-a(2) of the Act, (2) the approval of the County Executive of Albany County after such public hearing and (3) the filing of an information return (Internal Revenue Service Form 8038) (the "Information Return") satisfying the requirements of Section 149(e) of the Code.

Section 2. In consequence of the foregoing, the Agency hereby determines to (A) issue the Bond on the terms and conditions set forth in the Bond Purchase Agreement, (B) sell the Bond to the Holder pursuant to the Bond Purchase Agreement, (C) use the proceeds of the Bond to pay a portion of the costs of issuance of the Bond and a portion of the costs of the acquisition, construction and installation of the Project Facility, (D) to acquire an interest in the Project Facility by execution of the Underlying Lease, (E) sell the Project Facility on an installment basis to the Institution pursuant to the Installment Sale Agreement, (F) secure the Bond by assigning to the Holder pursuant to the Pledge and Assignment certain of the Agency's rights under the Installment Sale Agreement (except the Unassigned Rights, as defined therein), including the right to collect and receive amounts payable thereunder (except for amounts payable pursuant to the Unassigned Rights), (G) further secure the Bond by granting to the Holder a mortgage lien on and security interest in the Project Facility pursuant to the Mortgage, (H) further secure the Bond by assigning to the Holder its interest in any leases relating to the Project Facility pursuant to the Assignment of Rents, (I) execute a nonarbitrage certificate (the "Arbitrage Certificate") relating to the Bond, (J) designate the Bond as a "qualified tax-exempt obligation" under Section 265 of the Code pursuant to a designation certificate (the "Designation Certificate"), and (K) execute an Information Return relating to the Bond and (L) file the Information Return with the Internal Revenue Service.

Section 3. The Agency is hereby authorized to acquire an interest in the real and personal property described in the Underlying Lease and the Installment Sale Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by

the Agency with respect to such acquisition and grant are hereby approved, ratified and confirmed.

Section 4. The form and substance of the Bond (in substantially the form presented to this meeting) is hereby approved.

Section 5. The form and substance of the Bond Purchase Agreement, the Underlying Lease, the Installment Sale Agreement, the Mortgage, the Assignment of Rents and the Pledge and Assignment (in substantially the forms presented to this meeting) are hereby approved.

Section 6. The form and substance of the termination of underlying lease by and between the Agency and the Institution (in substantially the form of Exhibit C to the Installment Sale Agreement) (the "Termination of Underlying Lease") and the bill of sale from the Agency to the Institution (in substantially the form of Exhibit D to the Installment Sale Agreement) (the "Bill of Sale to Institution") are hereby approved.

Section 7. The Agency is hereby authorized to issue, execute, sell and deliver to the Holder its Bond in the principal amount of Three Million Five Hundred Thousand Dollars (\$3,500,000) in the form heretofore approved in Section 4 of this Resolution upon compliance with the provisions of the Bond Purchase Agreement, provided that:

(A) The Bond authorized to be issued, executed, sold and delivered pursuant to this Section 7 shall (1) be issued, executed and delivered at such time as the Chairman (or Vice Chairman) of the Agency shall determine, and (2) bear interest at the rate or rates, be issued in such form, be subject to redemption prior to maturity and have such other terms and provisions and be issued in such manner and on such conditions as are set forth in the Bond and in the Bond Purchase Agreement, which terms are specifically incorporated herein by reference with the same force and effect as if fully set forth in this Resolution.

(B) The Bond shall be issued solely for the purpose of providing funds to finance a portion of the costs of the undertaking and completion of the Project Facility and a portion of the administrative, legal, financial and other expenses of the Agency in connection with the undertaking and completion of the Project Facility and incidental to the issuance of the Bond.

(C) Neither the members nor officers of the Agency, nor any person executing the Bond or any of the Financing Documents (as hereinafter defined) on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution, issuance or delivery thereof. The Bond and the interest thereon are not and shall never be a debt of the State of New York, Albany County, New York or any political subdivision thereof (other than the Agency), and neither the State of New York, Albany County, New York nor any political subdivision thereof (other than the Agency) shall be liable thereon.

(D) The Bond, together with interest payable thereon, shall be a special obligation of the Agency payable solely from certain of the revenues and receipts derived from the sale or other disposition of the Project Facility or from the enforcement of the security provided by the

Financing Documents (as hereinafter defined) and the Guaranty and the other security pledged to the payment thereof.

(E) Notwithstanding any other provision of this Resolution, the Agency covenants that it will make no use of the proceeds of the Bond or of any other funds (other than the Agency's administrative fee) which, if such use had been reasonably expected on the date of issuance of the Bond, would have caused any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code.

Section 8. (A) The Chairman (or Vice Chairman) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Bond Purchase Agreement, the Underlying Lease, the Installment Sale Agreement, the Mortgage, the Assignment of Rents, the Pledge and Assignment, the Termination of Underlying Lease, the Bill of Sale to Institution and the Bond (hereinafter collectively called the "Financing Documents"), and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman (or Vice Chairman) shall approve, the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

(B) The Chairman (or Vice Chairman) of the Agency is hereby further authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Installment Sale Agreement).

(C) The Chairman (or Vice Chairman) of the Agency is hereby further authorized to execute the Deed to Institution and the Bill of Sale to Institution and to deliver same to the Institution as provided in the Installment Sale Agreement.

Section 9. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Financing Documents, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Financing Documents binding upon the Agency.

Section 10. This Resolution shall supercede in all respects the bond resolution adopted by the members of the Agency on November 6, 2002.

Section 11. This Resolution shall take effect immediately and the Bond is hereby ordered to be issued in accordance with this Resolution.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Hon. Fowler J. Riddick	VOTING	<u>YES</u>
L. Patrick Bender	VOTING	<u>YES</u>
Hon. Susan M. Burns	VOTING	<u>YES</u>
Hon. Gary W. Domalewicz	VOTING	<u>ABSENT</u>
Hon. Gene Messercola	VOTING	<u>YES</u>
Michael Paparian	VOTING	<u>YES</u>
Theresa M. Ries	VOTING	<u>YES</u>

The foregoing Resolution was thereupon declared duly adopted.


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

I, the undersigned (Assistant) Secretary of Albany County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that I have compared the annexed extract of the minutes of the meeting of the Agency, including the resolution contained therein, held on December 4, 2002, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolution set forth therein and of the whole of said original insofar as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting, (B) said meeting was in all respects duly held, (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and public notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law and (D) there was a quorum of the members of the Agency 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 Agency this 4th day of December, 2002.

  
(Assistant)Secretary

(SEAL)