

A special meeting of County of Cattaraugus Industrial Development Agency (the "Agency") was convened in public session at the offices of Agency located at 3 East Washington Street in the Village of Ellicottville, Cattaraugus County, New York on November 12, 2002, at 11:15 o'clock a.m., local time.

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

PRESENT:

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| Robert G. Potter | Chairman |
| James M. Norton | First Vice Chairman |
| Joseph E. Higgins | Second Vice Chairman |
| Joseph K. Eade | Secretary/Treasurer |
| Salvatore Marranta | Member |
| Donald E. Furman | Member |
| James Stitt | Member |

EXCUSED:

AGENCY STAFF PRESENT:

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| Norman P. Leyh | Executive Director and Assistant Secretary |
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The following resolution was offered by Joseph Higgins, seconded by Joseph EADE, to wit:

Resolution No. 1

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE BY COUNTY OF CATTARAUGUS INDUSTRIAL DEVELOPMENT AGENCY OF ITS CIVIC FACILITY REVENUE BOND (PARENT EDUCATION PROGRAM, INC. PROJECT), SERIES 2002A IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED FOUR HUNDRED THOUSAND DOLLARS (\$400,000) AND THE EXECUTION OF VARIOUS DOCUMENTS RELATED THERETO.

WHEREAS, County of Cattaraugus 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 536 of the 1971 Laws of New York, as amended, constituting Section 890-b 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 industrial development 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, reconstruct and install said projects or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, pursuant to an application, including a cost benefit analysis (the "Application") submitted to the Agency by Parent Education Program, Inc., a not-for-profit corporation (the "Company"), the members of the Agency, on September 17, 2002, adopted a resolution (the "Inducement Resolution") whereby the Agency agreed, subject to numerous conditions, to consider undertaking a project (the "Project") consisting of the following: (A) (1) the acquisition of an interest in an approximately one acre parcel of land located at 234-242 North Union Street in the City of Olean, Cattaraugus County, New York (the "Land"), together with the existing building complex located thereon containing approximately 11,000 square feet of space (the "Facility"), (2) the renovation of the Facility and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment"), all of the foregoing to constitute a facility comprised of the Company's administrative offices, a family resource support center and other office space to be leased by the Company to one or more tenants (the Land, the Facility and the Equipment hereinafter collectively referred to as the "Project Facility"); (B) the financing of all or a portion of the costs of the foregoing by the issuance of taxable and/or tax-exempt revenue bonds of the Agency in one or more issues or series in an aggregate principal amount of approximately \$400,000 (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, mortgage recording taxes and real property taxes (collectively with the bonds, the "Financial Assistance"); and (D) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act") and the regulations (the "Regulations") adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, "SEQRA"), by resolution adopted by the members of the Agency on June 11, 2002 (the "Preliminary SEQR Resolution"), the Agency (A) determined (1) that the Project involves more than one "involved agency", and (2) to investigate the advisability of undertaking a coordinated review with respect to the Project, and (B) authorized the Executive Director of the Agency to contact all other "involved agencies" for the purpose of ascertaining whether such "involved agencies" were interested in undertaking a coordinated review of the Project and, if so, designating a "lead agency" with respect to the Project (as such quoted terms are defined in SEQRA); and

WHEREAS, by further resolution adopted by the members of the Agency on September 17, 2002 (the "Final SEQR Resolution"), the Agency, determined (A) to conduct an uncoordinated review of the Project and (B) that the Project is an "Unlisted action" which will not have a significant effect on the environment and, therefore, that an environmental impact statement is not required to be prepared with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the resolution adopted by the members of the Agency on June 11, 2002 (the "Public Hearing Resolution"), the Executive Director of the Agency (A) caused notice of a public hearing of the Agency (the "Public Hearing") pursuant to Section 859-a(2) 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 Agency with respect to the Project, to be mailed on June 13, 2002 to the chief executive officers of the county and of each city, town, village and school district in which the Project is to be located, (B) caused notice of the Public Hearing to be published on June 24, 2002 in Olean Times Herald, a newspaper of general circulation available to the residents of Cattaraugus County, (C) conducted the Public Hearing on July 25, 2002 at 10:00 o'clock a.m., local time in the Administration Conference Room #235 in the County Office Building located at 1701 Lincoln Avenue in the City of Olean, Cattaraugus County, New York, and (D) 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 Agency and to the County Legislature of the Cattaraugus County, New York (the "County Legislature"); and

WHEREAS, by certificate executed by the County Legislature on October 23, 2002 (the "Public Approval"), the County Legislature approved the issuance of the bonds by the Agency for the purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the Agency now proposes to issue its Civic Facility Revenue Bond (Parent Education Program, Inc. Project), Series 2002A in the principal amount of not to exceed \$400,000 (the "Bond") for the purpose of providing funds to pay the costs of the Project; and

WHEREAS, the Bond is to be issued under this Bond Resolution and a bond purchase and building loan agreement dated as of November 1, 2002 (the "Bond Purchase Agreement") by and among the Agency, the Company and Community Bank, N.A., as original purchaser of the Bond (the "Holder") and as disbursing agent in connection therewith (the "Disbursing Agent"); and

WHEREAS, pursuant to the Bond Purchase Agreement, the Disbursing Agent will disburse the proceeds of the Bond to the Company from time to time to pay the costs of the Project, but only upon satisfaction of the requirements set forth in an installment sale agreement dated as of November 1, 2002 (the "Installment Sale Agreement") by and between the Agency and the Company and the Bond Purchase Agreement for making such disbursements; and

WHEREAS, pursuant to the terms of the Installment Sale Agreement, (A) the Company will agree (1) to cause the Project to be undertaken and completed, (2) as agent of the Agency, to undertake and complete the Project, (3) to purchase the Project Facility from the Agency, and (4)

to make certain installment purchase payments to or upon the order of the Agency as the purchase price for the Project Facility, and (B) the Agency will agree to (1) sell the Project Facility to the Company and (2) to grant to the Company certain options to acquire title to the Project Facility; and

WHEREAS, simultaneously with the issuance of the Bond, (A) the Company and the Agency will execute and deliver a certain lease agreement dated as of November 1, 2002 (the "Underlying Lease"), pursuant to which the Company has agreed to lease the Land and the Facility to the Agency for a term ending on the completion of the Project Facility, (B) the Company will execute and deliver (1) a certain license agreement dated as of November 1, 2002 (the "License Agreement") by and between the Company, as licensor, and the Agency, as licensee, pursuant to which the Company will grant to the Agency a license to enter upon the Project Facility, in the event of an occurrence of an Event of Default, for the purpose of pursuing its remedies under the Installment Sale Agreement and (2) a bill of sale dated as of November 1, 2002 (the "Bill of Sale to Agency") from the Company to the Agency, pursuant to which the Company will convey to the Agency its interest in the portion of the Project Facility constituting fixtures and other personal property; and

WHEREAS, to secure the Bond, the Agency will execute and deliver to the Holder a pledge and assignment dated as of November 1, 2002 (the "Pledge and Assignment"), which Pledge and Assignment assigns to the Holder certain of the Agency's rights under the Installment Sale Agreement; and

WHEREAS, pursuant to the Pledge and Assignment, installment purchase payments made by the Company under the Installment Sale Agreement are to be paid directly to the Holder; and

WHEREAS, to further secure the Bond, the Company and the Agency will execute and deliver to the Holder (A) a mortgage dated as of November 1, 2002 (the "Mortgage"), which Mortgage grants to the Holder a lien on and security interest in the Project Facility and (B) an assignment of leases and rents dated as of November 1, 2002 (the "Assignment of Rents"), which Assignment of Rents assigns to the Holder all interest of the Agency and the Company in all leases affecting the Project Facility and the rents payable thereunder; and

WHEREAS, the (A) Company's obligation (1) to make all installment purchase payments under the Installment Sale Agreement and (2) to perform all obligations related thereto and (B) Agency's obligation to repay the Bond will be further secured by a guaranty dated as of November 1, 2002 (the "Guaranty") from the Company to the Holder; and

WHEREAS, to demonstrate compliance with the provisions of the Code relating to the issuance of tax-exempt obligations, (A) the Agency will (1) execute an arbitrage certificate dated the date of delivery of the Bond (the "Arbitrage Certificate") relating to certain requirements set forth in Section 148 of the Code relating to the Bond, (2) execute a completed Internal Revenue Service ("IRS") Form 8038 (Information Return for Private Activity Bonds) relating to the Bond ("Form 8038") pursuant to Section 149(e) of the Code, (3) file the Form 8038 with the IRS and (4) execute a certificate of designation (the "Certificate of Designation") designating the Bond as a "qualified tax-exempt obligation" under Section 265(b)(3) of the Code and (B) the Company

will execute a tax regulatory agreement dated the date of delivery of the Bond (the "Tax Regulatory Agreement") relating to the requirements in Sections 145, 147, 148 and 149 of the Code relating to the Bond; and

WHEREAS, a New York State Board of Real Property Services Form RP-412-a (the form required to be filed by the Agency in order for the Agency to obtain a real property tax exemption with respect to the Project under Section 412-a of the Real Property Tax Law) (a "Real Property Tax Exemption Form") will **not** be filed by the Agency with respect to the Project Facility;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF COUNTY OF CATTARAUGUS 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 Company will promote and maintain the job opportunities, general prosperity and economic welfare of the citizens of Cattaraugus 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 not to exceed Four Hundred Thousand Dollars (\$400,000) 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.

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) sell the Project Facility on an installment basis to the Company pursuant to the Installment Sale Agreement, (E) 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), (F) further secure the Bond by granting to the Holder a mortgage lien on and security interest in the Project Facility pursuant to the Mortgage, (G) further secure the Bond by assigning to the Holder all interest of the Agency and the Company in all leases affecting the Project Facility, (H) execute the Arbitrage Certificate, (I) execute the Certificate of Designation, and (J) file the Form 8038 with the IRS.

Section 3. The Agency is hereby authorized to acquire an interest in the Project Facility pursuant to the Underlying Lease, the License Agreement and the Bill of Sale to Agency (collectively, the "Conveyance Documents") 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 Conveyance Documents, the Bond, the Installment Sale Agreement, the Bond Purchase Agreement, the Pledge and Assignment, the Mortgage, the Assignment of Rents, the Arbitrage Certificate, the Certificate of Designation and the Form 8038 (collectively, the "Agency Documents") are hereby approved.

Section 5. The Agency is hereby authorized to issue, execute, sell and deliver to the Holder its Bond in the principal amount of not to exceed Four Hundred Thousand Dollars (\$400,000) in the form heretofore approved in Section 4 of this Bond 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 5 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 Bond 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, Cattaraugus County, New York or any political subdivision thereof (other than the Agency), and neither the State of New York, Cattaraugus 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 Bond 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 the Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code.

Section 6. (A) The Chairman (or Vice Chairman) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Agency Documents and the other documents to be executed by the Agency in connection therewith (collectively with the Agency Documents, 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).

Section 7. 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 8. This Bond Resolution shall take effect immediately and the Bond is hereby ordered to be issued in accordance with this Bond Resolution.

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

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| Robert G. Potter | VOTING | <u>YES</u> |
| James M. Norton | VOTING | <u>YES</u> |
| Joseph E. Higgins | VOTING | <u>YES</u> |
| Joseph K. Eade | VOTING | <u>YES</u> |
| Salvatore Marranca | VOTING | <u>EXCUSED</u> |
| Donald E. Furman | VOTING | <u>EXCUSED</u> |
| James Stitt | VOTING | <u>EXCUSED</u> |

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of County of Cattaraugus Industrial Development Agency (the "Agency"), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on November 12, 2002 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution set forth therein and of the whole of said original so far 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 due 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 12th day of November, 2002.

(Assistant) Secretary

(SEAL)