

## AUTHORIZING RESOLUTION

A regular meeting of the County of Oswego Industrial Development Agency (the "**Issuer**") was convened in public session on October 20, 2011, at 9:00 o'clock a.m., at 44 West Bridge St., Oswego, New York.

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

**PRESENT:** Arthur w. Ospelt, Carolyn A. Rush, H. Leonard Schick, Morris Sorbello, and Gary T. Toth

**ABSENT:** Jonathan Daniels and Donald H. Kunzwiler

**ALSO PRESENT:** Kevin C. Caraccioli, David S. Dano and L. Michael Treadwell

The following resolution was offered by Mr. Sorbello and seconded by Mr. Ospelt:

**RESOLUTION ACKNOWLEDGING THE DEFEASANCE AND REDEMPTION OF THE ISSUER'S \$11,685,000 CIVIC FACILITY REVENUE BONDS (FHA INSURED MORTGAGE – SENECA HILL MANOR, INC. PROJECT), SERIES 1997A; AUTHORIZING THE ESTABLISHMENT OF A DEFEASANCE ESCROW ACCOUNT RELATED THERETO AND THE EXECUTION OF ANY AND ALL DOCUMENTS NECESSARY TO DISCHARGE THE LIEN OF THE INDENTURE.**

**WHEREAS**, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 234 of the Laws of 1973 of the State of New York, as amended (collectively, the "**Act**"), the Issuer was created with the authority and power to issue its bonds for the purpose of, among other things, acquiring, constructing and equipping certain civic facilities authorized by the Act; and

**WHEREAS**, Seneca Hill Manor, Inc., (the "**Institution**") is planning to defease and redeem the Issuer's \$11,685,000 Civic Facility Revenue Bonds (FHA Insured Mortgage – Seneca Hill Manor, Inc. Project), Series 1997A (the "**Bonds**"), which were issued November 20, 1997 pursuant to a trust indenture dated as of November 1, 1997, as amended (the "**Indenture**") between the Issuer Manufacturers and Traders Trust Company, as trustee (the "**Trustee**"); and

**WHEREAS**, the Bonds were issued to finance a project (the "**Project**") undertaken by the Issuer on behalf and at the request of the Institution for the purpose of financing the costs of a project consisting of: (A)(1) the acquisition of an interest in approximately 6.28 acres of undeveloped land owned by the Institution, in the Town of Volney, County of Oswego, New

York (the "**Land**"), (2) the construction of a three-story, 68,336 square foot, 120 unit licensed residential health care facility on the Land (the "**Facility**"), and (3) the acquisition and installation in the Facility of certain equipment (the "**Equipment**") (the Land, the Facility and the Equipment, collectively, the "**Project Facility**"); (B) the financing of a portion of the costs of the foregoing by the issuance of the Bonds by the Issuer; and (C) the sale of the Project Facility to the Institution by the Issuer pursuant to an installment sale agreement dated as of November 1, 1997 (the "**Installment Sale Agreement**"); and

**WHEREAS**, Berkadia Commercial Mortgage, LLC (the "**Bank**") has agreed to loan certain funds to the Institution to provide all monies necessary for the redemption of the Bonds (the "**Loan**"); and

**WHEREAS**, pursuant to the Redemption Documents (defined below) (A) the Institution will agree to: (1) cause all of the Bonds to be defeased and redeemed; (2) purchase the Issuer's interest in the Project Facility; and (3) make, or cause the Bank to make, certain installment purchase payments to or upon the order of the Issuer as the purchase price for the Issuer's interest in the Project Facility, which installment purchase payments shall include amounts equal to the debt service payments due on the Bonds; and (B) the Issuer will agree to: (1) appoint the Institution as agent of the Issuer to cause the defeasance and redemption of the Bonds; and (2) upon satisfaction of all conditions precedent as provided for in the Installment Sale Agreement dated as of November 1, 1997 by and between the Institution and the Issuer, and related documents, sell its interest in the Project Facility to the Institution; and

**WHEREAS**, proceeds of the Loan in an amount sufficient to redeem all of the Bonds shall be deposited into the Bond Fund established under the Indenture, to be used to purchase United States obligations or other qualified securities in amounts at least sufficient to redeem the Bonds, which shall be delivered to the Trustee, to be held in escrow for payment of the Bonds pursuant to a letter of instruction from the Bank and the Institution to the Trustee (the "**Letter of Instructions**"); and

**WHEREAS**, in order to consummate the aforesaid defeasance and redemption, the Issuer has been requested to execute and deliver certain Redemption Documents (as defined herein).

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY OF OSWEGO INDUSTRIAL DEVELOPMENT AGENCY** as follows:

**Section 1.** The Issuer hereby consents to the defeasance and redemption of the Bonds and the sale of the Issuer's interest in the Project Facility as provided for hereinabove, and in the Installment Sale Agreement, and determines to execute and deliver all such agreements, certificates and documents as may be requested by the Institution, the Bank or the Trustee in connection with the redemption and defeasance of the Bonds and the conveyance of the Issuer's interest in the Project Facility to the Institution (collectively, the "**Redemption Documents**").

**Section 2.** The form and substance, of the Redemption Documents are hereby approved, subject to the approval of the officers of the Issuer identified in Section 4 hereof and Issuer's counsel.

**Section 3.** The Issuer hereby consents to the establishment in the Bond Fund (as defined in the Indenture) of an escrow account to be used to purchase United States obligations or other qualified securities in amounts at least sufficient to redeem the Bonds, to be held by the Trustee for payment of the principal or redemption price of and interest on the Bonds pursuant to the Letter of Instructions.

**Section 4.** The Chairman and/or Chief Executive Officer of the Issuer are each hereby authorized, on behalf of the Issuer to negotiate, approve, execute (by manual or facsimile signature) and deliver the Redemption Documents and the Chief Executive Officer of the Issuer is hereby authorized to affix the seal (or a facsimile thereof) of the Issuer to them and to attest to all of them, as needed, all in substantially the forms presented at this meeting with such changes, variations, omissions and insertions as the Chairman and/or Chief Executive Officer of the Issuer shall approve. The execution of them by the Chairman and/or Chief Executive Officer of the Issuer shall constitute conclusive evidence of that approval.

**Section 5.** Notwithstanding anything herein to the contrary, the Issuer's participation in any of the documents referenced herein, is contingent upon counsel for the Issuer's review;

**Section 6.** The officers, employees and agents of the Issuer are hereby authorized and directed for and in the name and on behalf of the Issuer to do all acts and things required or provided for by any of the provisions of the Redemption Documents, and to execute and deliver all additional agreements, certificates, instruments and documents in connection therewith, and to pay all fees, charges and expenses and to do all other acts as may be necessary, or in the opinion of the officer, employee or agent, desirable or proper to effectuate the purposes of the foregoing resolution and to cause compliance by the Issuer with all of the terms, covenants and provisions of the Redemption Documents binding upon the Issuer.

**Section 7.** No covenant, stipulation, obligation or agreement contained in this resolution or any of the Redemption Documents referred to herein shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Issuer in his or her individual capacity. Neither the members nor officers of the Issuer, nor any person executing any documents referred to above on behalf of the Issuer, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

**Section 8.** A copy of this resolution, together with its attachments, shall be placed on file in the office of the Issuer where the same shall be available for public inspection during business hours.

**Section 9.** The Chief Executive Officer of the Issuer is hereby authorized and directed to distribute copies of this Resolution to the Institution and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

**Section 10.** This resolution shall take effect immediately.

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

	<b><u>Aye</u></b>	<b><u>Nay</u></b>	<b><u>Abstain</u></b>	<b><u>Absent</u></b>
Jonathan Daniels				X
Donald H. Kunzwiler				X
Arthur W. Ospelt	X			
Carolyn A. Rush	X			
H. Leonard Schick	X			
Morris Sorbello	X			
Gary T. Toth	X			

The foregoing resolution was thereupon declared duly adopted.

STATE OF NEW YORK                    )  
  ) ss.:  
COUNTY OF OSWEGO                 )

I, the undersigned, Secretary of the County of Oswego Industrial Development Agency, **DO HEREBY CERTIFY** that:

I have compared the annexed extract of the minutes of the meeting of the County of Oswego Industrial Development Agency (the "***Issuer***") including the resolution contained therein, held on the 20<sup>th</sup> day of October, 2011 with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Issuer 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 (i) all members of the Issuer had due notice of the meeting, (ii) pursuant to Article 7 of the Public Officers Law (Open Meetings Law), such meeting was opened to the general public, and notice of the time and place of such meeting was duly given in accordance with Article 7 of the Public Officers Law, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

**IN WITNESS WHEREOF**, I have hereunto set my hand this 20<sup>th</sup> day of October, 2011.

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L. Michael Treadwell

Chief Executive Officer