

BUFFALO FISCAL STABILITY AUTHORITY

RESOLUTION NO. 05 - 52

APPROVING AMENDMENT OF FINANCING DOCUMENTS FOR PHASES I AND II OF
BUFFALO SCHOOLS DEVELOPMENT PROGRAM

WHEREAS, the Buffalo City School District ("the District"), in cooperation with the City of Buffalo ("the City") and the Joint Schools Construction Board ("the JSCB"), has undertaken a comprehensive program to redevelop the educational facilities ("the Program"), is nearing completion of Phase I of the Program and has commenced Phase II of the Program; and

WHEREAS, pursuant to Chapter 605 of the Laws of 2000, as amended by Chapter 59 of the laws of 2003 and Chapter 421 of the Laws of 2004 ("the Buffalo Schools Redevelopment Act"), Phases I and II of the Program have been financed through the Erie County Industrial Development Agency ("ECIDA"), the Phase I financing being referred to as the Series 2003 Project and the Phase II financing being referred to as the Series 2004 Project; and

WHEREAS, pursuant to Section 3858, subd. 1 (i) of the Public Authorities Law, Phase II was approved by this Authority by Resolution No. 04-114 (Phase I having been excluded by that provision from the requirement of such approval); and

WHEREAS, the JSCB, the City, the District, the ECIDA, and/or various of their officers have executed a number of documents in respect to the Series 2003 Project and the Series 2004 Project, including without limitation, the Amended and Restated State Aid Trust Agreement, the Series 2003 Indenture, the Series 2003 Ground Lease, the Series 2003 Facilities Agreement, the Series 2003 Tax Compliance Certificate, the Series 2003 Environmental Agreement, the Series 2004 Indenture, the Series 2004 Ground Lease, the Series 2004 Facilities Agreement, the Series 2004 Tax Compliance Certificate, the Series 2004 Environmental Agreement, and all other agreements, certificates and other documents executed in respect to the Series 2003 Project or Series 2004 Project (collectively, the "Transaction Documents"); and

WHEREAS, it would be in the best interests of the Program, the JSCB, the City and the District to amend the Transaction Documents so as: (1) to change the structure of the Series 2003 Project by converting the Facilities Agreement from a sublease agreement to an installment sale agreement, and thereby eliminate the need for liability insurance coverage of ECIDA after construction has been completed and until the Series 2003 Bonds have been paid; (2) to allow the earnings of the Debt Service Reserve Fund for the Series 2003 Bonds and Series 2004 Bonds to flow to the Bond Fund rather than the Project Fund after the Project Fund has been fully funded, and thereby to reduce the cash amount of the District's next Facilities Agreement payments and increase the District's short term cash flow for operations; and (3) to allow the trustee for the Series 2003 and Series 2004 bondholders to account for anticipated Debt Service Reserve Fund earnings in calculating the amount to be withheld from state aid to fund the District's Facilities Agreement payments each year and thereby to improve the District's short term cash flow for operations; and

WHEREAS, this Authority has reviewed the proposed amendments to the Financing Documents and has found them to be financially sound, prudent and in the public interest;

NOW, THEREFORE, it is:

RESOLVED, that this Authority approves the proposed amendments to the Transaction Documents; and further

RESOLVED, that this Authority authorizes the City, the District and the JSCB to execute and deliver necessary and appropriate documents in relation to the proposed amendments; and further

RESOLVED, that each of the Chairman, Vice Chair or Executive Director, Chief Financial Officer and Chief Counsel of the Buffalo Fiscal Stability Authority is hereby severally authorized and directed to execute and deliver any agreements, certificates, documents, papers or other written instrument, to make any changes, modifications or amendments as he or she deems necessary, to do all other things and to take all other actions necessary and appropriate in his or her judgment to consummate the transactions contemplated by this Resolution.

This resolution shall take effect immediately.

Approved June 8, 2005

/S/ Richard Tobe
Richard Tobe
Secretary