

STATE OF NEW YORK
SUPREME COURT : ERIE COUNTY

In the Matter of the Application

- of -

Index No. 001447/2013

EPISCOPAL COMMUNITY HOUSING, INC.
EPISCOPAL RESIDENTIAL HEALTH CARE
FACILITY, INC. and
THE EPISCOPAL CHURCH HOME OF
WESTERN NEW YORK

PETITION

For Leave to Sell Certain Real
Property in the City of Buffalo,
Erie County, New York

Petitioner.

FILED
ACTIONS & PROCEEDINGS

MAY 13 2013

ERIE COUNTY
CLERK'S OFFICE

TO THE SUPREME COURT OF THE STATE OF NEW YORK:

The petition of Episcopal Community Housing, Inc., Episcopal Residential Health Care Facility, Inc., and The Episcopal Church Home of Western New York respectfully shows, upon information and belief, that:

1. The petitioners, Episcopal Community Housing, Inc. ("Housing"), Episcopal Residential Health Care Facility, Inc. ("Nursing Home"), and The Episcopal Church Home of Western New York ("Church Home") (collectively, the "Corporations"), are not-for-profit corporations duly organized and existing under the Not-For-Profit Corporation Law of the State of New York. Copies of the Restated Certificates of Incorporation for each of the Corporations ("Certificates") are attached hereto as **Exhibits A, B and C**, and certified copies of the complete Bylaws for each of the Corporations ("Bylaws") are attached hereto as **Exhibits D, E and F**.

2. The Certificates name Episcopal Church Home and Affiliates, Inc. ("ECH&A") as the sole member of the Corporations. The names of the directors of the boards of directors of each of the Corporations ("Boards"), the names of the principal officers of each of the Corporations, and their places of residence are as follows:

13. After years of discussions with the Peace Bridge Authority ("PBA"), the Corporations and the State of New York developed an outline for a transaction whereby the Corporations would sell their interest to the State's designee for Four Million (\$4,000,000.00) Dollars. In addition, the State's designee would take the Downtown Campus subject to the first mortgage on 823 Busti Avenue, currently held by the PBA.

14. The Corporations subsequently negotiated a Purchase and Sale Agreement (the "Contract") with the New York State Urban Development Corporation d/b/a Empire State Development ("ESD"), a copy of which is attached hereto as Exhibit O. ESD intends to develop the Downtown Campus property as part of an expanded Peace Bridge Plaza.

15. ESD has agreed to pay the Corporations a purchase price of Four Million Seven Hundred Thirty-One Thousand Five Hundred (\$4,731,500.00) Dollars, which is comprised of the Four Million (\$4,000,000.00) Dollar price the Corporations and the State agreed to plus an additional sum to pay for unpaid property taxes, interest assessment and other carrying costs.

16. ESD's offer as evidenced by the Contract represents a highly favorable opportunity for the Corporations, as it allows the Corporations to dispose of vacant, closed facilities that are costly to maintain while providing substantial payment of outstanding debts owed by the Corporations.

17. Based upon the average appraised values of the parcels relative to the purchase price, the purchase price shall be allocated among the parcels as follows:

<u>Parcel Address</u>	<u>Owner</u>	<u>Purchase Price Allocation</u>
One Massachusetts Avenue and 843 Busti Avenue	Housing	\$346,896.67
823 Busti Avenue	Nursing Home	\$3,099,325.79
3 Massachusetts and 825 Busti Avenue	Church Home	<u>\$1,285,277.54</u>
		<u>\$4,731,500.00</u>

18. Housing will use the \$346,896.67 proceeds it receives first to pay water fees and City of Buffalo User Fees for Solid Waste and Recycling Service ("User Fees") owing of \$13,860.05. Next Housing will use \$170,000 to repay a loan to the Episcopal Church Home Foundation (the "Foundation"). Housing continues its corporate purpose of providing low income housing to Erie County residents, remains an operating going concern, and will use the remaining \$163,036.62 in furtherance of its mission. Housing has no plans or need to replace the Office Building.

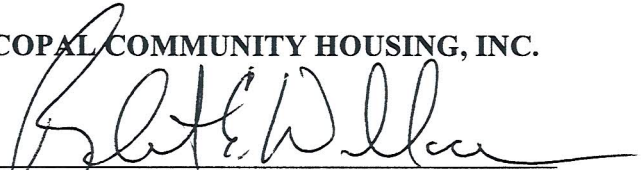
19. Nursing Home will use the \$3,099,325.79 proceeds it receives first to pay property taxes and User Fees totaling \$667,402.70. Next the Nursing Home will pay trade creditors holding a mortgage on 823 Busti Avenue an agreed upon payoff of their claims totaling

WHEREFORE, Petitioners Housing, Nursing Home and Church Home pray for an Order of this Court authorizing it to sell to ESD the Downtown's Campus hereinbefore described for the consideration of Four Million Seven Hundred Thirty-one Thousand Five Hundred Dollars (\$4,731,500.00) and for such other and further relief as in the Court's discretion may be proper.

DATED: April 17, 2013

EPISCOPAL COMMUNITY HOUSING, INC.

By: _____

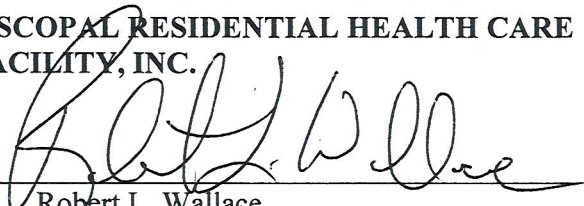


Robert L. Wallace
President and Chief Executive Officer

(SEAL)

EPISCOPAL RESIDENTIAL HEALTH CARE FACILITY, INC.

By: _____

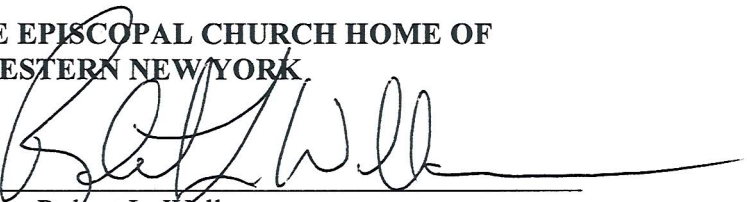


Robert L. Wallace
President and Chief Executive Officer

(SEAL)

THE EPISCOPAL CHURCH HOME OF WESTERN NEW YORK

By: _____



Robert L. Wallace
President and Chief Executive Officer

(SEAL)