EXHIBIT 1.2  
  
  
 FINGER LAKES BANCORP, INC.  
  
 Up to 2,155,593 Shares  
 (Anticipated Maximum)  
  
 COMMON STOCK  
 ($.01 Par Value)  
  
 Subscription Price $7.00 Per Share  
  
 AGENCY AGREEMENT  
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 September \_\_\_\_\_\_\_\_, 2000  
  
  
Friedman, Billings, Xxxxxx & Co., Inc.  
0000 Xxxxxxxxxx Xxxxxx Xxxxx  
Xxxxxxxxx, Xxxxxxxx 00000  
  
Ladies and Gentlemen:  
  
 The Primary Parties, e.g. Finger Lakes Bancorp, Inc. a Delaware corporation  
(the "Company"), Finger Lakes Financial Corporation, MHC (the "MHC"), Finger  
Lakes Financial Corp. (Finger Lakes Financial"), a federally chartered  
corporation owning all of the stock of Savings Bank of the Finger Lakes (the  
"Mid-Tier Company") and Savings Bank of the Finger Lakes, Geneva, New York, a  
federal stock savings bank (the "Bank"), with its deposit accounts insured by  
the Savings Association Insurance Fund ("SAIF") administered by the Federal  
Deposit Insurance Corporation ("FDIC"), hereby confirm their agreement with  
Friedman, Billings, Xxxxxx & Co., Inc. (the "Agent") as follows (defined terms  
used herein shall have the same definition given in the Prospectus dated  
September \_\_\_\_\_\_, 2000, unless otherwise defined herein):  
  
 Section 1. The Offering. The MHC will convert (the "Conversion") from a  
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federally chartered mutual holding company to a Delaware chartered stock  
corporation (the "Company").. In connection with the Conversion, each  
stockholder of Finger Lakes Financial immediately  
  
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prior to the Conversion ("Public Stockholders") will receive Exchange Shares of  
the Company's common stock ("Common Stock," or "Shares") pursuant to a ratio  
that will result in Public Stockholders owning in the aggregate immediately  
after the Conversion the same percentage of the outstanding shares of Common  
Stock, before giving effect to (a) the payment of cash in lieu of fractional  
shares; (b) the purchase by such stockholders of additional shares of Common  
Stock in the Offering; and (c) subject to an adjustment by the OTS to reflect  
the MHC's waiver of certain dividends declared by the Bank in the amount of  
$\_\_\_\_\_\_ million.  
  
 Pursuant to the Plan and in connection with the Conversion, the Company is  
offering up to 2,155,593 shares of its common stock (the "Conversion Stock") in  
a subscription and community offering (the "Offerings"). Conversion Stock is  
first being offered in a subscription offering with nontransferable subscription  
rights being granted, in the following order of priority, to (i) depositors of  
the Bank with account balances of $50.00 or more as of the close of business on  
December 31, 1998 ("Eligible Account Holders"); (ii) the employee plans of the  
Company, including the Employee Stock Ownership Plan ("ESOP"); (iii) depositors  
of the Bank with account balances of $50.00 or more as of the close of business  
on June 30, 2000 ("Supplemental Eligible Account Holders") and (iv) depositors  
of the Bank as of the close of business on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2000 (other than  
Eligible Account Holders and Supplemental Eligible Account Holders).  
Subscription rights will expire if not exercised by Noon, New York time, on  
October \_\_\_\_\_\_\_\_\_\_\_, 2000, unless extended.  
  
 Subject to the prior rights of holders of subscription rights, Conversion  
Stock not subscribed for in the Subscription Offering is being offered in the  
Community Offering to certain members of the general public to whom a copy of  
the Prospectus is delivered, with preference given to natural persons residing  
in the Community. The Primary Parties reserve the absolute right to reject or  
accept any orders in the Community Offering in whole or in part, either at the  
time of receipt of an order or as soon as practicable following the Expiration  
Date.  
  
 The Company has filed with the Securities and Exchange Commission (the  
"Commission") a registration statement on Form S-1 (File No. 333-33418) (the  
"Registration Statement") containing a prospectus relating to the Offerings for  
the registration of the Shares under the Securities Act of 1933 (the "1933  
Act"), and has filed such amendments thereof, if any, and such amended  
prospectuses as may have been required to the date hereof. The prospectus, as  
amended, on file with the Commission at the time the Registration Statement  
initially became effective is hereinafter called the "Prospectus," except that  
if any prospectus is filed by the Company pursuant to Rule 424(b) or (c) of the  
rules and regulations of the Commission under the 1933 Act (the "1933 Act  
Regulations") differing from the prospectus on file at the time the  
  
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Registration Statement initially becomes effective, the term "Prospectus" shall  
refer to the prospectus filed pursuant to Rule 424(b) or (c) from and after the  
time said prospectus is filed with the Commission.  
  
 In accordance with the regulations of the Office of Thrift Supervision  
("OTS") governing the conversions of savings associations (the "Conversion  
Regulations"), the MHC has filed with the OTS an Application for Conversion on  
Form AC (the "Conversion Application"), including the prospectus, and has filed  
such amendments thereto, if any, as may have been required by the OTS. The  
Conversion Application has been approved by the OTS and the related Prospectus  
has been authorized for use by the OTS.  
  
 Section 2. Retention of the Agent; Compensation; Sale and Delivery of the  
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Shares. Subject to the terms and conditions herein set forth, the Company, the  
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MHC and the Bank hereby appoint the Agent as their financial advisor and  
marketing agent to utilize its best efforts to solicit subscriptions for Shares  
of the Company's Common Stock and to advise and assist the Company and the Bank  
with respect to the Company's sale of the Shares in the Offerings and in the  
areas of market making, research coverage and syndicate formation (if  
necessary).  
  
 On the basis of the representations, warranties, and agreements herein  
contained, but subject to the terms and conditions herein set forth, the Agent  
accepts such appointment and agrees to consult with and advise the Company, the  
MHC and the Bank as to the matters set forth in the letter agreement ("Letter  
Agreement"), dated February 4, 2000, between the Bank and the Agent (a copy of  
which is attached hereto as Exhibit A). It is acknowledged by the Company, the  
MHC and the Bank that the Agent shall not be required to purchase any Shares and  
shall not be obligated to take any action which is inconsistent with all  
applicable laws, regulations, decisions or orders. In the event of a Community  
Offering, the Agent will assemble and manage a selling group of broker-dealers  
which are members of the National Association of Securities Dealers, Inc. (the  
"NASD") to participate in the solicitation of purchase orders for shares under a  
selected dealers' agreement ("Selected Dealers' Agreement"), the form of which  
is set forth as Exhibit B to this Agreement.  
  
 The obligations of the Agent pursuant to this Agreement shall terminate  
upon the completion or termination or abandonment of the Plan by the Company or  
upon termination of the Offerings, but in no event later than 45 days after the  
completion of the Subscription Offering (the "End Date"). All fees or expenses  
due to the Agent but unpaid will be payable to the Agent in next day funds at  
the earlier of the Closing Date (as hereinafter defined) or the End Date. In  
  
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the event the Offerings are extended beyond the End Date, the Company, the MHC,  
the Bank and the Agent may agree to renew this Agreement under mutually  
acceptable terms.  
  
 In the event the Company is unable to sell a minimum of 1,593,259 Shares  
within the period herein provided, this Agreement shall terminate and the  
Company shall refund to any persons who have subscribed for any of the Shares,  
the full amount which it may have received from them plus accrued interest as  
set forth in the Prospectus; and none of the parties to this Agreement shall  
have any obligation to the other parties hereunder, except as set forth in this  
Section 2 and in Sections 6, 8 and 9 hereof.  
  
 In the event the Offerings are terminated for any reason not attributable  
to the action or inaction of the Agent, the Agent shall be paid the fees due to  
the date of such termination pursuant to subparagraphs (a) and (b) below.  
  
 If all conditions precedent to the consummation of the Conversion,  
including, without limitation, the sale of all Shares required by the Plan to be  
sold, are satisfied, the Company agrees to issue, or have issued, the Shares  
sold in the Offering and to release for delivery certificates for such Shares on  
the Closing Date (as hereinafter defined) against payment to the Company by any  
means authorized by the Plan, provided, however, that no funds shall be released  
to the Company until the conditions specified in Section 7 hereof shall have  
been complied with to the reasonable satisfaction of the Agent and their  
counsel. The release of Shares against payment therefor shall be made on a date  
and at a place acceptable to the Company, the MHC, the Bank and the Agent (it  
being understood that such date shall not be more than ten business days after  
termination of the Offering) or such other time or place as shall be agreed upon  
by the Company, the MHC, the Bank and the Agent. Certificates for shares shall  
be delivered directly to the purchasers in accordance with their directions.  
The date upon which the Company shall release or deliver the Shares sold in the  
Offering, in accordance with the terms herein, is called the "Closing Date."  
  
 The Agent shall receive the following compensation for its services  
hereunder:  
  
 (a) A management fee to the Agent in the amount of $50,000, of which  
 $25,000 has been paid and of which $25,000 will be paid upon OTS  
 approval of the Plan application. Such fees shall be deemed to be  
 earned when due. Should the Conversion be terminated for any reason  
 not attributable to the action or inaction of the Agent, the Agent  
 shall have earned and be entitled to be paid fees accruing  
  
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 through the stage at which point the termination occurred, including  
 any accrued legal fees expended by the Agent.  
  
 (b) A fixed marketing fee of $215,000 (excluding expenses) which shall be  
 paid provided that the Reorganization and Conversion is consummated.  
 The management fee of $50,000 will be subtracted from the marketing  
 fee.  
  
 (c) The foregoing fixed marketing fee shall be paid to Agent at closing in  
 addition to the allocable expenses described below.  
  
 (d) The decision to utilize other selected Broker-Dealers will be made  
 jointly by the Agent and the Bank. Selected broker-dealers who assist  
 in the subscription or purchase, excluding those shares purchased by  
 the Bank's officers, directors or employees, tax-qualified or stock  
 based compensation plans (except IRA's) or similar plan created by the  
 Bank for some or all of its directors or employees or by member  
 depositors in the original subscription phase of the offering, will be  
 paid a fee not to exceed 4% of the aggregate Actual Purchase Price of  
 the shares of common stock sold by them in the Subscription and/or  
 Community Offerings. The Agent's fee for such shares shall equal 1.5%  
 of the aggregate Actual Purchase Price of the shares of common stock  
 sold by selected broker-dealers in the Subscription and/or Community  
 Offering. Fees with respect to subscriptions or purchases effected  
 with the assistance of Registered Representatives employed by a  
 Broker/Dealer other than the Agent shall be paid to the Agent at  
 Closing and then transmitted by the Agent to such Broker/Dealer.  
  
 (e) The Bank and the Company hereby agree to reimburse the Agent, from  
 time to time upon the Agent's request, for its reasonable allocable  
 expenses, including without limitation, accounting, communication,  
 travel expenses, and legal fees and expenses, whether or not the  
 Conversion and Reorganization is consummated. Agent agrees to notify  
 the Company if allocable expenses requiring reimbursement exceed  
 $15,000 (excluding fees of Agent's counsel of $25,000). The Company  
 will bear the expenses of the Offerings customarily borne by issuers  
 including, without limitation, OTS, SEC, "Blue Sky," and NASD filing  
 and registration fees; the fees of the Company's accountants,  
 conversion agent, data processor, attorneys, appraiser, transfer agent  
 and registrar, printing, mailing and marketing expenses associated  
 with the Conversion; and the fees set forth under this Section 2.  
  
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 Full payment of the Agent's actual and accountable expenses, advisory fees  
and compensation shall be made in next day funds on the earlier of the Closing  
Date or a determination by the Bank to terminate or abandon the Plan.  
  
 In the event of an oversubscription or other event, which causes the  
Offerings to continue beyond the original expiration date or a resolicitation of  
subscribers, the parties agree to renegotiate the expense cap on legal fees  
applicable to the Agent.  
  
 Section 3. Prospectus; Offering. The Shares are to be initially offered  
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in the Offerings at the Purchase Price as defined and set forth on the cover  
page of the Prospectus.  
  
 Section 4. Representations and Warranties. The Company, the MHC and the  
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Bank jointly and severally represent and warrant to the Agent on the date hereof  
as follows:  
  
 (a) The Registration Statement was declared effective by the  
 Commission on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2000. At the time the Registration  
 Statement, including the Prospectus contained therein (including any  
 amendment or supplement thereto), became effective, the Registration  
 Statement complied in all material respects with the requirements of the  
 1933 Act and the 1933 Act Regulations and the Registration Statement,  
 including the Prospectus contained therein (including any amendment or  
 supplement thereto), and any information regarding the Company or the Bank  
 contained in Sales Information (as such term is defined in Section 8  
 hereof) authorized by the Company or the Bank for use in connection with  
 the Offerings, did not contain an untrue statement of a material fact or  
 omit to state a material fact required to be stated therein or necessary to  
 make the statements therein, in light of the circumstances under which they  
 were made, not misleading, and at the time any Rule 424(b) or (c)  
 Prospectus was filed with the Commission and at the Closing Date referred  
 to in Section 2, the Registration Statement, including the Prospectus  
 contained therein (including any amendment or supplement thereto), any  
 information regarding the Company or the Bank contained in Sales  
 Information (as such term is defined in Section 8 hereof) authorized by the  
 Company or the Bank for use in connection with the Offerings will not  
 contain an untrue statement of a material fact or omit to state a material  
 fact necessary in order to make the statements therein, in light of the  
 circumstances under which they were made, not misleading; provided,  
 however, that the representations and warranties in this Section 4(a) shall  
 not apply to statements or omissions made in reliance upon and in  
 conformity with written information furnished to the Company or the Bank by  
 the Agent expressly  
  
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 regarding the Agent for use in the Prospectus under the caption "The  
 Conversion-Plan of Distribution and Selling Commissions" or statements in  
 or omissions from any Sales Information or information filed pursuant to  
 state securities or blue sky laws or regulations regarding the Agent.  
  
 (b) The Conversion Application was approved by the OTS on September  
 \_\_\_\_\_\_\_, 2000, and the related Prospectus has been authorized for use by  
 the OTS. At the time of the approval of the Conversion Application,  
 including the Prospectus (including any amendment or supplement thereto),  
 by the OTS and at all times subsequent thereto until the Closing Date, the  
 Conversion Application, including the Prospectus (including any amendment  
 or supplement thereto), will comply in all material respects with the  
 Conversion Regulations except to the extent waived by the OTS. The  
 Conversion Application, including the Prospectus (including any amendment  
 or supplement thereto), does not include any untrue statement of a material  
 fact or omit to state a material fact required to be stated therein or  
 necessary to make the statements therein, in light of the circumstances  
 under which they were made, not misleading; provided, however, that the  
 representations and warranties in this Section 4(b) shall not apply to  
 statements or omissions made in reliance upon and in conformity with  
 written information furnished to the Company, the MHC or the Bank by the  
 Agent expressly regarding the Agent for use in the Prospectus contained in  
 the Conversion Application under the caption "The Conversion-Plan of  
 Distribution and Selling Commissions" or statements in or omissions from  
 any sales information or information filed pursuant to state securities or  
 blue sky laws or regulations regarding the Agent.  
  
 (c) No order has been issued by the OTS preventing or suspending the  
 use of the Prospectus and no action by or before any such government entity  
 to revoke any approval, authorization or order of effectiveness related to  
 the Conversion is, to the best knowledge of the Company, the MHC or the  
 Bank, pending or threatened.  
  
 (d) At the Closing Date referred to in Section 2, the Plan will have  
 been adopted by the Boards of Directors of the Company, the Mid-Tier  
 Company, the MHC and the Bank and the offer and sale of the Shares will  
 have been conducted in all material respects in accordance with the Plan,  
 the Conversion Regulations, and all other applicable laws, regulations,  
 decisions and orders, including all terms, conditions, requirements and  
 provisions precedent to the Conversion imposed upon the Company, the MHC or  
 the Bank by the OTS, the Commission or any other regulatory authority and  
 in the manner described in the Prospectus. To the best knowledge of the  
 Company, no person has  
  
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 sought to obtain review of the final action of the OTS in approving or  
 taking no objection to the Plan or in approving or taking no objection to  
 the Conversion or the Holding Company Application pursuant to the  
 Conversion Regulations or any other statute or regulation.  
  
 (e) The Bank has been organized and is a validly existing federally  
 chartered savings bank in stock form of organization and upon the  
 Conversion will continue as such, is duly authorized to conduct its  
 business and own its property as described in the Registration Statement  
 and the Prospectus; the Bank has obtained all material licenses, permits  
 and other governmental authorizations currently required for the conduct of  
 its business; all such licenses, permits and governmental authorizations  
 are in full force and effect, and the Bank is in all material respects  
 complying with all laws, rules, regulations and orders applicable to the  
 operation of its business; the Bank is existing under the laws of the  
 United States and is duly qualified as a foreign corporation to transact  
 business and is in good standing in each jurisdiction in which its  
 ownership of property or leasing or property or the conduct of its business  
 requires such qualification, unless the failure to be so qualified in one  
 or more of such jurisdictions would not have a material adverse effect on  
 the condition, financial or otherwise, or the business, operations or  
 income of the Bank. The Bank does not own equity securities or any equity  
 interest in any other business enterprise except as described in the  
 Prospectus or as would not be material to the operations of the Bank. Upon  
 completion of the sale by the Company of the Shares contemplated by the  
 Prospectus, (i) all of the authorized and outstanding capital stock of the  
 Bank will be owned by the Company, and (ii) the Company will have no direct  
 subsidiaries other than the Bank. The Conversion will have been effected in  
 all material respects in accordance with all applicable statutes,  
 regulations, decisions and orders; and, except with respect to the filing  
 of certain post-sale, post-Conversion reports, and documents in compliance  
 with the 1933 Act Regulations or the OTS' letters of approval or no  
 objection taken, all terms, conditions, requirements and provisions with  
 respect to the Conversion (except those that are conditions subsequent)  
 imposed by the Commission or the OTS, if any, will have been complied with  
 by the Company, the MHC and the Bank in all material respects or  
 appropriate waivers will have been obtained and all material notice and  
 waiting periods will have been satisfied, waived or elapsed.  
  
 (f) The Company has been duly incorporated and is validly existing as  
 a corporation in good standing under the laws of the State of Delaware with  
 corporate power and authority to own, lease and operate its properties and  
 to conduct its business as described in the Registration Statement and the  
 Prospectus, and the Company is qualified  
  
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 to do business as a foreign corporation in each jurisdiction in which the  
 conduct of its business requires such qualification, except where the  
 failure to so qualify would not have a material adverse effect on the  
 condition, financial or otherwise, or the business, operations or income of  
 the Company. The Company has obtained all material licenses, permits and  
 other governmental authorizations currently required for the conduct of its  
 business; all such licenses, permits and governmental authorizations are in  
 full force and effect, and the Company is in all material respects  
 complying with all laws, rules, regulations and orders applicable to the  
 operation of its business.  
  
 (g) The MHC has been duly organized and is a validly existing  
 federally chartered mutual holding company, with corporate power and  
 authority to own, lease and operate its properties and to conduct its  
 business as described in the Registration Statement and the Prospectus, and  
 the MHC is qualified to do business as a foreign corporation in each  
 jurisdiction in which the conduct of its business requires such  
 qualification, except where the failure to so qualify would not have a  
 material adverse effect on the condition, financial or otherwise, or the  
 business, operations or income of the MHC. The MHC has obtained all  
 material licenses, permits and other governmental authorizations currently  
 required for the conduct of its business; all such licenses, permits and  
 governmental authorizations are in full force and effect, and the MHC is in  
 all material respects complying with all laws, rules, regulations and  
 orders applicable to the operation of its business.  
  
 (h) The Bank is a member of the Federal Home Loan Bank of New York  
 ("FHLB-New York"). The deposit accounts of the Bank are insured by the  
 FDIC up to the applicable limits; and no proceedings for the termination or  
 revocation of such insurance are pending or, to the best knowledge of the  
 Company, the MHC or the Bank, threatened. Upon consummation of the  
 Conversion, the liquidation account for the benefit of Eligible Account  
 Holders and Supplemental Eligible Account Holders will be duly established  
 in accordance with the requirements of the Conversion Regulations.  
  
 (i) The Company, the MHC and the Bank have good and marketable title  
 to all real property and other assets material to the business of the  
 Company, the MHC and the Bank and to those properties and assets described  
 in the Registration Statement and Prospectus as owned by them, free and  
 clear of all liens, charges, encumbrances or restrictions, except such as  
 are described in the Registration Statement and Prospectus or are not  
 material to the business of the Company, the MHC and the Bank taken as a  
 whole; and all of the leases and subleases material to the business of the  
 Company, the  
  
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 MHC and the Bank under which the Company, the MHC or the Bank hold  
 properties, including those described in the Registration Statement and  
 Prospectus, are in full force and effect.  
  
 (j) The Company, the MHC and the Bank have received an opinion of  
 their special counsel, Xxxx Xxxxxx Xxxxxx Xxxxxxxx & Xxxxxx ("Xxxx  
 Xxxxxx"), with respect to the federal income tax consequences of the  
 conversion of the MHC from mutual to stock form, and the sale of the Shares  
 as described in the Registration Statement and the Prospectus, and an  
 opinion from KPMG LLP ("KPMG") with respect to the New York state income  
 tax consequences of the proposed transaction; all material aspects of the  
 opinions of Xxxx Xxxxxx and KPMG are accurately summarized in the  
 Prospectus; and the facts and representations upon which such opinions are  
 based are truthful, accurate and complete.  
  
 (k) The Company, the MHC and the Bank have all such power, authority,  
 authorizations, approvals and orders as may be required to enter into this  
 Agreement, to carry out the provisions and conditions hereof and to issue  
 and sell the Shares to be sold by the Company as provided herein and as  
 described in the Prospectus.  
  
 (l) The Company, the MHC and the Bank are not in violation of any  
 directive received from the OTS, the FDIC, or any other agency to make any  
 material change in the method of conducting their businesses so as to  
 comply in all material respects with all applicable statutes and  
 regulations (including, without limitation, regulations, decisions,  
 directives and orders of the OTS and the FDIC) and, except as set forth in  
 the Registration Statement and the Prospectus, there is no suit or  
 proceeding or charge or action before or by any court, regulatory authority  
 or governmental agency or body, pending or, to the knowledge of the  
 Company, the MHC and the Bank, threatened, which might materially and  
 adversely affect the Conversion, the performance of this Agreement or the  
 consummation of the transactions contemplated in the Plan and as described  
 in the Registration Statement and the Prospectus or which might result in  
 any material adverse change in the condition (financial or otherwise),  
 earnings, capital or properties of the Company, or the Bank, or which would  
 materially affect their properties and assets.  
  
 (m) The financial statements which are included in the Prospectus  
 fairly present the financial condition, results of operations, retained  
 earnings and cash flows of the Bank at the respective dates thereof and for  
 the respective periods covered thereby and comply as to form in all  
 material respects with the applicable accounting  
  
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 requirements of Titles 12 of the Code of Federal Regulations and generally  
 accepted accounting principles (including those requiring the recording of  
 certain assets at their current market value). Such financial statements  
 have been prepared in accordance with generally accepted accounting  
 principles consistently applied through the periods involved, present  
 fairly in all material respects the information required to be stated  
 therein and are consistent with the most recent financial statements and  
 other reports filed by the Bank with the OTS and the FDIC, except that  
 accounting principles employed in such regulatory filings conform to the  
 requirements of such authorities and not necessarily to generally accepted  
 accounting principles. The other financial, statistical and pro forma  
 information and related notes included in the Prospectus present fairly the  
 information shown therein on a basis consistent with the audited and  
 unaudited financial statements of the Bank included in the Prospectus, and  
 as to the pro forma adjustments, the adjustments made therein have been  
 properly applied on the basis described therein.  
  
 (n) Since the respective dates as of which information is given in  
 the Registration Statement and the Prospectus; (i) there has not been any  
 material adverse change, financial or otherwise, in the condition of the  
 Company, the MHC, the Bank or in the earnings, capital or properties of the  
 Company, the MHC or the Bank, whether or not arising in the ordinary course  
 of business; (ii) there has not been any material increase in the long-term  
 debt of the Bank or in loans past due 90 days or more or real estate  
 acquired by foreclosure, by deed-in-lieu of foreclosure or deemed in-  
 substance foreclosure or any material decrease in surplus and reserves or  
 total assets of the Bank nor has the Company or the Bank issued any  
 securities or incurred any liability or obligation for borrowing other than  
 in the ordinary course of business; (iii) there have not been any material  
 transactions entered into by the Company, the MHC or the Bank, except with  
 respect to those transactions entered into in the ordinary course of  
 business; (iv) the capitalization, liabilities, assets, properties and  
 business of the Company, the MHC and the Bank conform in all material  
 respects to the descriptions thereof contained in the Prospectus; and (v)  
 neither the Company, the MHC nor the Bank has any material contingent  
 liabilities, except as set forth in the Prospectus.  
  
 (o) As of the date hereof and as of the Closing Date, neither the  
 Company, the MHC nor the Bank is in violation of its articles of  
 incorporation or bylaws or charter or bylaws, as applicable, or in default  
 in the performance or observance of any material obligation, agreement,  
 covenant, or condition contained in any material contract, lease, loan  
 agreement, indenture or other instrument to which it is a party or by which  
 it or any of its property may be bound; the consummation of the Conversion,  
 the execution,  
  
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 delivery and performance of this Agreement and the consummation of the  
 transactions herein contemplated have been duly and validly authorized by  
 all necessary corporate action on the part of the Company and the Bank and  
 this Agreement has been validly executed and delivered by the Company, the  
 MHC and the Bank and is the valid, legal and binding Agreement of the  
 Company, the MHC and the Bank enforceable in accordance with its terms,  
 except as the enforceability thereof may be limited by (i) bankruptcy,  
 insolvency, reorganization, moratorium, conservatorship, receivership or  
 other similar laws now or hereafter in effect relating to or affecting the  
 enforcement of creditors' rights generally or the rights of creditors of  
 Federal savings institutions and their holding companies, (ii) general  
 equitable principles, (iii) laws relating to the safety and soundness of  
 insured depository institutions, and (iv) applicable law or public policy  
 with respect to the indemnification and/or contribution provisions  
 contained herein, and except that no representation or warranty need be  
 made as to the effect or availability of equitable remedies or injunctive  
 relief (regardless of whether such enforceability is considered in a  
 proceeding in equity or at law). The consummation of the transactions  
 herein contemplated will not: (i) conflict with or constitute a breach of,  
 or default under, the articles of incorporation and bylaws of the Company  
 or the charters and bylaws of the Bank or the MHC (in either mutual or  
 capital stock form), or any material contract, lease or other instrument to  
 which the Company, the MHC or the Bank has a beneficial interest, or any  
 applicable law, rule, regulation or order; (ii) violate any authorization,  
 approval, judgment, decree, order, statute, rule or regulation applicable  
 to the Company, the MHC or the Bank, except for such violations which would  
 not have a material adverse effect on the financial condition and results  
 of operations of the Company, the MHC and the Bank on a consolidated basis;  
 or (iii) with the exception of the liquidation account established in the  
 Conversion, result in the creation of any material lien, charge or  
 encumbrance upon any property of the Company, the MHC or the Bank.  
  
 (p) No default exists, and no event has occurred which with notice or  
 lapse of time, or both, would constitute a default on the part of the  
 Company, the MHC or the Bank, in the due performance and observance of any  
 term, covenant or condition of any indenture, mortgage, deed of trust,  
 note, bank loan or credit agreement or any other instrument or agreement to  
 which the Company, the MHC or the Bank is a party or by which any of them  
 or any of their property is bound or affected except such defaults which  
 would not have a material adverse effect on the financial condition or  
 results of operations of the Company, the MHC and the Bank on a  
 consolidated basis; such agreements are in full force and effect; and no  
 other party to any such agreements has instituted or, to the best knowledge  
 of the Company, the MHC or the Bank, threatened  
  
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 any action or proceeding wherein the Company, the Bank or the MHC would or  
 might be alleged to be in default thereunder under circumstances where such  
 action or proceeding, if determined adversely to the Company, the MHC or  
 the Bank, would have a material adverse effect on the Company, the MHC and  
 the Bank, taken as a whole.  
  
 (q) Upon consummation of the Conversion, the authorized, issued and  
 outstanding equity capital of the Company will be within the range set  
 forth in the Prospectus under the caption "Capitalization"; the Shares will  
 have been duly and validly authorized for issuance and, when issued and  
 delivered by the Company pursuant to the Plan against payment of the  
 consideration calculated as set forth in the Plan and in the Prospectus,  
 will be duly and validly issued, fully paid and non-assessable; no  
 preemptive rights exist with respect to the Shares; and the terms and  
 provisions of the Shares will conform in all material respects to the  
 description thereof contained in the Registration Statement and the  
 Prospectus. To the best knowledge of the Company, the MHC and the Bank,  
 upon the issuance of the Shares, good title to the Shares will be  
 transferred from the Company to the purchasers thereof against payment  
 therefor, subject to such claims as may be asserted against the purchasers  
 thereof by third-party claimants.  
  
 (r) No approval of any regulatory or supervisory or other public  
 authority is required in connection with the execution and delivery of this  
 Agreement or the issuance of the Shares, except for the approval or non-  
 objection, as applicable, of the Commission, the OTS, and any necessary  
 qualification, notification, registration or exemption under the securities  
 or blue sky laws of the various states in which the Shares are to be  
 offered, and except as may be required under the rules and regulations of  
 the NASD and/or the Nasdaq National Market.  
  
 (s) KPMG LLP, which has certified the financial statements of the  
 Bank included in the Prospectus as of December 31, 1999 and 1998 and for  
 each of the years in the three year period ended December 31, 1999, has  
 advised the Company, the MHC and the Bank in writing that they are, with  
 respect to the Company, the MHC and the Bank, independent public  
 accountants within the meaning of the Code of Professional Ethics of the  
 American Institute of Certified Public Accountants and Title 121 of the  
 Code of Federal Regulations and Section 571.2(c)(3).  
  
 (t) FinPro which has prepared the Bank's Conversion Valuation  
 Appraisal Report as of March \_\_\_\_\_\_\_, 2000 (as amended or supplemented, if  
 so amended or supplemented) (the "Appraisal"), has advised the Company in  
 writing that it is  
  
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 independent of the Company, the MHC and the Bank within the meaning of the  
 Conversion Regulations.  
  
 (u) The Company, the MHC and the Bank have timely filed all required  
 federal, state and local tax returns; the Company, the MHC and the Bank  
 have paid all taxes that have become due and payable in respect of such  
 returns, except where permitted to be extended, have made adequate reserves  
 for similar future tax liabilities and no deficiency has been asserted with  
 respect thereto by any taxing authority.  
  
 (v) The Company, the MHC and the Bank are in compliance in all  
 material respects with the applicable financial recordkeeping and reporting  
 requirements of the Currency and Foreign Transactions Reporting Act of  
 1970, as amended, and the regulations and rules thereunder.  
  
 (w) To the knowledge of the Company, the MHC and the Bank, neither  
 the Company, the MHC, the Bank nor employees of the Company, the MHC or the  
 Bank have made any payment of funds of the Company, the MHC or the Bank as  
 a loan for the purchase of the Shares or made any other payment of funds  
 prohibited by law, and no funds have been set aside to be used for any  
 payment prohibited by law.  
  
 (x) Prior to the Conversion, the Bank had \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ shares of  
 authorized capital stock, of which \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ shares were issued and  
 outstanding, the Company had \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ shares of authorized  
 capital stock, of which \_\_\_\_\_\_ shares were issued and outstanding and the  
 MHC was not authorized to issue shares. Neither the Bank, the Company nor  
 the MHC has: (i) other than as described in the Prospectus issued any  
 securities within the last 18 months (except for notes to evidence other  
 bank loans and reverse repurchase agreements or other liabilities in the  
 ordinary course of business or as described in the Prospectus); (ii) had  
 any material dealings within the 12 months prior to the date hereof with  
 any member of the NASD, or any person related to or associated with such  
 member, other than discussions and meetings relating to the proposed  
 offering and routine purchases and sales of United States government and  
 agency securities; (iii) entered into a financial or management consulting  
 agreement except as contemplated hereunder and except for the Letter  
 Agreement set forth in Exhibit A; and (iv) engaged any intermediary between  
 the Agent and the Company, the MHC and the Bank in connection with the  
 offering of the Shares, and no person is being compensated in any manner  
 for such service.  
  
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 (y) The Company, the MHC and the Bank have not relied upon the Agent  
 or the Agent's counsel for any legal, tax or accounting advice in  
 connection with the Conversion.  
  
 (z) The Company is not required to be registered under the Investment  
 Company Act of 1940, as amended.  
  
 Any certificates signed by an officer of the Company, the MHC or the Bank  
pursuant to the conditions of this Agreement and delivered to the Agent or its  
counsel that refers to this Agreement shall be deemed to be a representation and  
warranty by the Company, the MHC or the Bank to the Agent as to the matters  
covered thereby with the same effect as if such representation and warranty were  
set forth herein.  
  
 Section 5. Representations and Warranties of the Agent. The Agent  
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represents and warrants to the Company, the MHC and the Bank that:  
  
 (a) The Agent is a corporation and is validly existing in good  
 standing under the laws of the State of Delaware with full power and  
 authority to provide the services to be furnished to the Bank, the MHC  
 and the Company hereunder.  
  
 (b) The execution and delivery of this Agreement and the consummation  
 of the transactions contemplated hereby have been duly and validly  
 authorized by all necessary action on the part of the Agent, and this  
 Agreement has been duly and validly executed and delivered by the  
 Agent and is the legal, valid and binding agreement of the Agent,  
 enforceable in accordance with its terms.  
  
 (c) Each of the Agent and its employees, agents and representatives  
 who shall perform any of the services hereunder shall be duly  
 authorized and empowered, and shall have all licenses, approvals and  
 permits necessary to perform such services, including appropriate  
 licenses and the Company's approvals in the various states in which  
 securities shall be offered.  
  
 (d) The execution and delivery of this Agreement by the Agent, the  
 consummation of the transactions contemplated hereby and compliance  
 with the terms and provisions hereof will not conflict with, or result  
 in a breach of, any of the terms, provisions or conditions of, or  
 constitute a default (or event which with notice or lapse of time or  
 both would constitute a default) under, the articles of  
  
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 incorporation of the Agent or any agreement, indenture or other  
 instrument to which the Agent is a party or by which it or its  
 property is bound.  
  
 (e) No approval of any regulatory or supervisory or other public  
 authority is required in connection with the Agent's execution and  
 delivery of this Agreement, except as may have been received.  
  
 (f) There is no suit or proceeding or charge of action before or by  
 any court, regulatory authority or government agency or body or, to  
 the knowledge of the Agent, pending or threatened, which might  
 materially adversely affect the Agent's performance of this Agreement.  
  
 Section 5.1 Covenants of the Company, the MHC and the Bank. The Company,  
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the MHC and the Bank hereby jointly and severally covenant with the Agent as  
follows:  
  
 (a) The Company has filed the Registration Statement with the  
 Commission. The Company will not, at any time after the date the  
 Registration Statement is declared effective, file any amendment or  
 supplement to the Registration Statement without providing the Agent and  
 its counsel an opportunity to review such amendment or supplement or file  
 any amendment or supplement to which amendment or supplement the Agent or  
 its counsel shall reasonably object.  
  
 (b) The MHC has filed the Conversion Application with the OTS. The  
 Bank will not, at any time after the Conversion Application is approved by  
 the OTS, file any amendment or supplement to such Conversion Application  
 without providing the Agent and its counsel an opportunity to review such  
 amendment or supplement or file any amendment or supplement to which  
 amendment or supplement the Agent or its counsel shall reasonably object.  
  
 (c) The Company and the Bank will use their best efforts to cause any  
 post-effective amendment to the Registration Statement to be declared  
 effective by the Commission and any post-effective amendment to the  
 Conversion Application to be approved by the OTS and will immediately upon  
 receipt of any information concerning the events listed below notify the  
 Agent: (i) when the Registration Statement, as amended, has become  
 effective; (ii) when the Conversion Application, as amended, has been  
 approved by the OTS; (iii) of any comments from the Commission, the OTS or  
 any other governmental entity with respect to the Conversion or the  
 transactions contemplated  
  
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 by this Agreement; (iv) of the request by the Commission, the OTS or any  
 other governmental entity for any amendment or supplement to the  
 Registration Statement or the Conversion Application or for additional  
 information; (v) of the issuance by the Commission, the OTS or any other  
 governmental entity of any order or other action suspending the Offering or  
 the use of the Registration Statement or the Prospectus or any other filing  
 of the Company or the Bank under the Conversion Regulations, or other  
 applicable law, or the threat of any such action; (vi) the issuance by the  
 Commission, the OTS or any state authority of any stop order suspending the  
 effectiveness of the Registration Statement or the approval of the  
 Conversion Application, or of the initiation or threat of initiation or  
 threat of any proceedings for any such purpose; or (vii) of the occurrence  
 of any event mentioned in paragraph (h) below. The Company, the MHC and the  
 Bank will make every reasonable effort (i) to prevent the issuance by the  
 Commission, the OTS or any state authority of any such order and, if any  
 such order shall at any time be issued, (ii) to obtain the lifting thereof  
 at the earliest possible time.  
  
 (d) The Company, the MHC and the Bank will deliver to the Agent and  
 to its counsel two conformed copies of the Registration Statement and the  
 Conversion Application, as originally filed and of each amendment or  
 supplement thereto, including all exhibits. Further, the Company, the MHC  
 and the Bank will deliver such additional copies of the foregoing documents  
 to counsel to the Agent as may be required for any NASD and blue sky  
 filings.  
  
 (e) The Company, the MHC and the Bank will furnish to the Agent, from  
 time to time during the period when the Prospectus (or any later prospectus  
 related to this offering) is required to be delivered under the 1933 Act or  
 the Securities Exchange Act of 1934 (the "1934 Act"), such number of copies  
 of such Prospectus (as amended or supplemented) as the Agent may reasonably  
 request for the purposes contemplated by the 1933 Act, the 1933 Act  
 Regulations, the 1934 Act or the rules and regulations promulgated under  
 the 1934 Act (the "1934 Act Regulations"). The Company authorizes the Agent  
 to use the Prospectus (as amended or supplemented, if amended or  
 supplemented) in any lawful manner contemplated by the Plan in connection  
 with the sale of the Shares by the Agent.  
  
 (f) The Company, the MHC and the Bank will comply with any and all  
 material terms, conditions, requirements and provisions with respect to the  
 Conversion and the transactions contemplated thereby imposed by the  
 Commission, the OTS, the Conversion Regulations or the OTS, and by the 1933  
 Act, the 1933 Act Regulations, the  
  
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 1934 Act and the 1934 Act Regulations to be complied with prior to or  
 subsequent to the Closing Date and when the Prospectus is required to be  
 delivered, the Company, the MHC and the Bank will comply, at their own  
 expense, with all material requirements imposed upon them by the  
 Commission, the OTS, the Conversion Regulations or the OTS, and by the 1933  
 Act, the 1933 Act Regulations, the 1934 Act and the 1934 Act Regulations,  
 including, without limitation, Rule 10b-5 under the 1934 Act, in each case  
 as from time to time in force, so far as necessary to permit the  
 continuance of sales or dealing in shares of Common Stock during such  
 period in accordance with the provisions hereof and the Prospectus.  
  
 (g) If, at any time during the period when the Prospectus relating to  
 the Shares is required to be delivered, any event relating to or affecting  
 the Company, the MHC or the Bank shall occur, as a result of which it is  
 necessary or appropriate, in the opinion of counsel for the Company, the  
 MHC and the Bank or in the reasonable opinion of the Agent's counsel, to  
 amend or supplement the Registration Statement or Prospectus in order to  
 make the Registration Statement or Prospectus not misleading in light of  
 the circumstances existing at the time the Prospectus is delivered to a  
 purchaser, the Company and the Bank will at their expense, prepare and file  
 with the Commission and the OTS and furnish to the Agent a reasonable  
 number of copies of an amendment or amendments of, or a supplement or  
 supplements to, the Registration Statement or Prospectus (in form and  
 substance satisfactory to the Agent and its counsel after a reasonable time  
 for review) which will amend or supplement the Registration Statement or  
 Prospectus so that as amended or supplemented it will not contain an untrue  
 statement of a material fact or omit to state a material fact necessary in  
 order to make the statements therein, in light of the circumstances  
 existing at the time the Prospectus is delivered to a purchaser, not  
 misleading. For the purpose of this Agreement, the Company, the MHC and  
 the Bank each will timely furnish to the Agent such information with  
 respect to itself as the Agent may from time to time reasonably request.  
  
 (h) The Company, the MHC and the Bank will take all necessary  
 actions, in cooperating with the Agent, and furnish to whomever the Agent  
 may direct, such information as may be required to qualify or register the  
 Shares for offering and sale by the Company or to exempt such Shares from  
 registration, or to exempt the Company as a broker-dealer and its officers,  
 directors and employees as broker-dealers or agents under the applicable  
 securities or blue sky laws of such jurisdictions in which the Shares are  
 required under the Conversion Regulations to be sold or as the Agent and  
 the Company, the MHC and the Bank may reasonably agree upon; provided,  
 however, that the  
  
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 Company shall not be obligated to file any general consent to service of  
 process or to qualify to do business in any jurisdiction in which it is not  
 so qualified. In each jurisdiction where any of the Shares shall have been  
 qualified or registered as above provided, the Company will make and file  
 such statements and reports in each fiscal period as are or may be required  
 by the laws of such jurisdiction.  
  
 (i) The liquidation account for the benefit of Eligible Account  
 Holders and Supplemental Eligible Account Holders will be duly established  
 and maintained by the Bank in accordance with the requirements of the OTS,  
 and such Eligible Account Holders and Supplemental Eligible Account Holders  
 who continue to maintain their savings accounts in the Bank will have an  
 inchoate interest in their pro rata portion of the liquidation account  
 which shall have a priority superior to that of the holders of shares of  
 Common Stock in the event of a complete liquidation of the Bank.  
  
 (j) The Company, the MHC and the Bank will not sell or issue,  
 contract to sell or otherwise dispose of, for a period of 90 days after the  
 Closing Date, without the Agent's prior written consent, any shares of  
 Common Stock other than the Shares or other than in connection with any  
 plan or arrangement described in the Prospectus.  
  
 (k) The Company shall maintain the effectiveness of the registration  
 of its Common Stock under Section 12 (g) of the 1934 Act for not less than  
 three (3) years or such shorter period as may be required by the OTS.  
  
 (l) During the period during which the Company's Common Stock is  
 registered under the 1934 Act or for three years from the date hereof,  
 whichever period is greater, the Company will furnish to its stockholders  
 as soon as practicable after the end of each fiscal year an annual report  
 of the Company (including a consolidated balance sheet and statements of  
 consolidated income, stockholders' equity and cash flows of the Company and  
 its subsidiaries as at the end of and for such year, certified by  
 independent public accountants in accordance with Regulation S-X under the  
 1933 Act and the 1934 Act).  
  
 (m) During the period of three years from the date hereof, the  
 Company will furnish to the Agent: (i) as soon as practicable after such  
 information is publicly available, a copy of each report of the Company  
 furnished to or filed with the Commission under the 1934 Act or any  
 national securities exchange or system on which any class of securities of  
 the Company is listed or quoted (including, but not limited to,  
  
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 reports on Forms 10-K, 10-Q and 8-K and all proxy statements and annual  
 reports to stockholders), (ii) a copy of each other non-confidential report  
 of the Company mailed to its stockholders or filed with the Commission, the  
 OTS or any other supervisory or regulatory authority or any national  
 securities exchange or system on which any class of securities of the  
 Company is listed or quoted, each press release and material news items and  
 additional documents and information with respect to the Company or the  
 Bank as the Agent may reasonably request; and (iii) from time to time, such  
 other nonconfidential information concerning the Company or the Bank as the  
 Agent may reasonably request.  
  
 (n) The Company and the Bank will use the net proceeds from the sale  
 of the Shares in the manner set forth in the Prospectus under the caption  
 "Use of Proceeds."  
  
 (o) Other than as permitted by the Conversion Regulations, the Home  
 Owners Loan Act of 1933 (the "HOLA"), the 1933 Act, the 1933 Act  
 Regulations, and the laws of any state in which the Shares are registered  
 or qualified for sale or exempt from registration, neither the Company, the  
 MHC nor the Bank will distribute any prospectus, offering circular or other  
 offering material in connection with the offer and sale of the Shares.  
  
 (p) The Company will use its best efforts to (i) encourage and assist  
 two market makers to maintain a market for the Shares and (ii) continue to  
 list the Shares on the Nasdaq National Market.  
  
 (q) The Bank will maintain appropriate arrangements for depositing  
 all funds received from persons mailing subscriptions for or orders to  
 purchase Shares in the Offerings on an interest bearing basis at the rate  
 described in the Prospectus until the Closing Date and satisfaction of all  
 conditions precedent to the release of the Bank's obligation to refund  
 payments received from persons subscribing for or ordering Shares in the  
 Offerings in accordance with the Plan and as described in the Prospectus or  
 until refunds of such funds have been made to the persons entitled thereto  
 or withdrawal authorizations canceled in accordance with the Plan and as  
 described in the Prospectus. The Bank will maintain such records of all  
 funds received to permit the funds of each subscriber to be separately  
 insured by the FDIC (to the maximum extent allowable) and to enable the  
 Bank to make the appropriate refunds of such funds in the event that such  
 refunds are required to be made in accordance with the Plan and as  
 described in the Prospectus.  
  
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 (r) The Company and the Bank will take such actions and furnish such  
 information as are reasonably requested by the Agent in order for the Agent  
 to ensure compliance with the NASD's "Interpretation Relating to Free  
 Riding and Withholding."  
  
 (s) Neither the Bank nor the MHC will amend the Plan of Conversion  
 without notifying the Agent prior thereto.  
  
 (t) The Company shall assist the Agent, if necessary, in connection  
 with the allocation of the Shares in the event of an oversubscription and  
 shall provide the Agent with any information necessary to assist the  
 Company in allocating the Shares in such event and such information shall  
 be accurate and reliable.  
  
 (u) Prior to the Closing Date, the Company, the MHC and the Bank will  
 inform the Agent of any event or circumstances of which it is aware as a  
 result of which the Registration Statement, the Conversion Application  
 and/or Prospectus, as then amended or supplemented, would contain an untrue  
 statement of a material fact or omit to state a material fact necessary in  
 order to make the statements therein not misleading.  
  
 Section 5.2 Covenants of the Agent. The Agent hereby covenants with  
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 the Company, the MHC and the Bank as follows:  
  
 (a) During the period when the Prospectus is used, the Agent will  
 comply, in all material respects and at its own expense, with all  
 requirements imposed upon it by the OTS and, to the extent applicable, by  
 the 1933 Act and the 1934 Act and the rules and regulations promulgated  
 thereunder.  
  
 (b) The Agent shall return unused prospectuses, if any, to the  
 Company promptly upon the completion of the Conversion.  
  
 (c) The Agent will distribute the Prospectuses or offering materials  
 in connection with the sales of the common stock only in accordance with  
 OTS regulations, the 1933 Act and the rules and regulations promulgated  
 thereunder.  
  
 (d) The Agent shall assist the Bank in maintaining arrangements for  
 the deposit of funds and the making of refunds, as appropriate (as  
 described in Section 5.1(r)), and shall perform the allocation of shares in  
 the event of an oversubscription, in  
  
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 conformance with the Plan and applicable regulations and based upon  
 information furnished to the Agent by the Bank (as described in Section  
 5.1(v)).  
  
 Section 6. Payment of Expenses. Whether or not the Conversion is  
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completed or the sale of the Shares by the Company is consummated, the Company,  
the MHC and the Bank jointly and severally agree to pay or reimburse the Agent  
for any expenses incurred by Agent in connection with the Conversion, including  
but not limited to: (a) all filing fees in connection with all filings with the  
NASD; (b) any stock issue or transfer taxes which may be payable with respect to  
the sale of the Shares; (c) all reasonable expenses of the Conversion including  
but not limited to the Agent, attorneys' fees (incurred in connection with the  
Conversion), transfer agent, registrar and other agent charges, fees relating to  
auditing and accounting or other advisors and costs of printing all documents  
necessary in connection with the Conversion; and (d) all other reasonable out-  
of-pocket expenses incurred by Agent (including legal fees of $25,000 and  
related expenses). Such out-of-pocket expenses include, but are not limited to,  
travel, communications and postage. In the event the Company is unable to sell  
a minimum of 2,295,000 Shares or the Conversion is terminated or otherwise  
abandoned, the Company, the MHC and the Bank shall reimburse the Agent in  
accordance with Section 2 hereof but such reimbursement shall not exceed Agent's  
actual, accountable out-of-pocket expenses.  
  
 Section 7. Conditions to the Agent's Obligations. The Agent's obligations  
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hereunder, as to the Shares to be delivered at the Closing Date, are subject, to  
the extent not waived by the Agent, to the condition that all representations  
and warranties of the Company, the MHC and the Bank herein are, at and as of the  
commencement of the Offerings and at and as of the Closing Date, true and  
correct in all material respects, the condition that the Company, the MHC and  
the Bank shall have performed all of their obligations hereunder to be performed  
on or before such dates, and to the following further conditions:  
  
 (a) At the Closing Date, the Company, the MHC and the Bank shall have  
 conducted the Conversion in all material respects in accordance with the  
 Plan, the Conversion Regulations, and all other applicable laws,  
 regulations, decisions and orders, including all terms, conditions,  
 requirements and provisions precedent to the Conversion imposed upon them  
 by the OTS.  
  
 (b) The Registration Statement shall have been declared effective by  
 the Commission, the Conversion Application approved by the OTS, not later  
 than 5:30 p.m. on the date of this Agreement, or with the Agent's consent  
 at a later time and date; and at the Closing Date, no stop order suspending  
 the effectiveness of the Registration  
  
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 Statement shall have been issued under the 1933 Act or proceedings  
 therefore initiated or threatened by the Commission, or any state authority  
 and no order or other action suspending the authorization of the Prospectus  
 or the consummation of the Conversion shall have been issued or proceedings  
 therefore initiated or, to the Company's, the MHC's or the Bank's  
 knowledge, threatened by the Commission, the OTS or any state authority.  
  
 (c) At the Closing Date, the Agent shall have received:  
  
 (1) The favorable opinion, dated as of the Closing Date and  
 addressed to the Agent and for its benefit, of Xxxx Xxxxxx, special  
 counsel for the Company, the MHC and the Bank, in form and substance  
 to the effect that:  
  
 (i) The Company has been duly incorporated and is validly  
 existing as a corporation under the laws of the State of Delaware and  
 has corporate power and authority to own, lease and operate its  
 properties and to conduct its business as described in the  
 Registration Statement and the Prospectus. All of the outstanding  
 capital stock of the Company is duly authorized and validly issued,  
 and upon payment therefor, will be fully paid and non-assessable.  
  
 (ii) The Bank has been organized and is a validly existing  
 federal savings bank in capital stock form of organization, authorized  
 to conduct its business and own its property as described in the  
 Registration Statement and Prospectus. All of the outstanding capital  
 stock of the Bank will be authorized and upon payment therefor, will  
 be validly issued, fully paid and non-assessable and will be owned by  
 the Company, free and clear of any liens, encumbrances, claims or  
 other restrictions.  
  
 (iii) The MHC has been organized and is a validly existing  
 federal mutual holding company authorized to conduct its business and  
 own its property as described in the Registration Statement and  
 Prospectus.  
  
 (iv) The Bank is a member of the FHLB-New York. The  
 deposit accounts of the Bank are insured by the FDIC up to the maximum  
 amount allowed under law and no proceedings for the termination or  
 revocation of such insurance are pending or, to such counsel's Actual  
 Knowledge, threatened; the  
  
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 description of the liquidation account as set forth in the Prospectus  
 under the caption "The Conversion--Liquidation Rights" to the extent  
 that such information constitutes matters of law and legal conclusions  
 has been reviewed by such counsel and is accurate in all material  
 respects.  
  
 (v) Upon consummation of the Conversion, the authorized,  
 issued and outstanding capital stock of the Company will be within the  
 range set forth in the Prospectus under the caption "Capitalization,"  
 and except for shares issued upon incorporation of the Company no  
 shares of Common Stock have been issued prior to the Closing Date; at  
 the time of the Conversion, the Shares subscribed for pursuant to the  
 Offerings will have been duly and validly authorized for issuance, and  
 when issued and delivered by the Company pursuant to the Plan against  
 payment of the consideration calculated as set forth in the Plan and  
 the Prospectus, will be duly and validly issued and fully paid and  
 non-assessable; the issuance of the Shares is not subject to  
 preemptive rights and the terms and provisions of the Shares conform  
 in all material respects to the description thereof contained in the  
 Prospectus. Upon the issuance of the Shares, good title to the Shares  
 will be transferred from the Company to the purchasers thereof against  
 payment therefor, subject to such claims as may be asserted against  
 the purchasers thereof by third-party claimants.  
  
 (vi) The execution and delivery of this Agreement and the  
 consummation of the transactions contemplated hereby have been validly  
 authorized by all necessary action on the part of the Company, the  
 MHC, and the Bank; and this Agreement is a valid and binding  
 obligation of the Company, the MHC and the Bank, enforceable in  
 accordance with its terms, except as the enforceability thereof may be  
 limited by (i) bankruptcy, insolvency, moratorium, reorganization,  
 conservatorship, receivership or other similar laws now or hereafter  
 in effect relating to or affecting the enforcement of creditors'  
 rights generally or the rights of creditors of savings institutions  
 and their holding companies, (ii) general equitable principles, (iii)  
 laws relating to the safety and soundness of insured depository  
 institutions, and (iv) applicable law or public policy with respect to  
 the indemnification and/or contribution provisions contained herein,  
 including, without limitation, the provisions of Section 23A and 23B  
 of the Federal Reserve Act, and except that no opinion need to be  
 expressed as to the effect or availability of equitable remedies or  
 injunctive relief (regardless of whether such enforceability is  
 considered in a proceeding in equity or at law).  
  
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 (vii) The Conversion Application has been approved by the  
 OTS and the Prospectus has been authorized for use by the OTS and no  
 action has been taken, and to such counsel's Actual Knowledge, none is  
 pending or threatened, to revoke any such authorization or approval.  
  
 (viii) The Plan has been adopted by the required vote of  
 the directors of the Company, the MHC and the Bank and, based upon the  
 certificate of the inspector of election, by the members of the MHC,  
 the stockholders of the Company and the stockholders of the Bank.  
  
 (ix) Subject to the satisfaction of the conditions to the  
 OTS' approval of the Conversion, no further approval, registration,  
 authorization, consent or other order of or notice to any federal or  
 Delaware regulatory agency is required in connection with the  
 execution and delivery of this Agreement, the issuance of the Shares  
 and the consummation of the Conversion, except as may be required  
 under the securities or blue sky laws of various jurisdictions (as to  
 which no opinion need be rendered) and except as may be required under  
 the rules and regulations of the NASD and/or the Nasdaq National  
 Market (as to which no opinion need be rendered).  
  
 (x) The Registration Statement is effective under the  
 1933 Act and no stop order suspending the effectiveness has been  
 issued under the 1933 Act or proceedings therefor initiated or, to  
 such counsel's Actual Knowledge, threatened by the Commission.  
  
 (xi) At the time the Conversion Application, including  
 the Prospectus contained therein, was approved by the OTS, the  
 Conversion Application, including the Prospectus contained therein,  
 complied as to form in all material respects with the requirements of  
 the Conversion Regulations, the HOLA and all applicable rules and  
 regulations promulgated thereunder (other than the financial  
 statements, the notes thereto, and other tabular, financial,  
 statistical and appraisal data and accounting information included  
 therein, as to which no opinion need be rendered).  
  
 (xii) At the time that the Registration Statement became  
 effective, (i) the Registration Statement (as amended or supplemented,  
 if so  
  
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 amended or supplemented) (other than the financial statements, the  
 notes thereto and other tabular, financial, statistical and appraisal  
 data included therein, as to which no opinion need be rendered)  
 complied as to form in all material respects with the requirements of  
 the 1933 Act and the 1933 Act Regulations, and (ii) the Prospectus  
 (other than the financial statements, the notes thereto and other  
 tabular, financial, statistical and appraisal data included therein,  
 as to which no opinion need be rendered) complied as to form in all  
 material respects with the requirements of the 1933 Act, the 1933 Act  
 Regulations, the Conversion Regulations and federal law.  
  
 (xiii) The terms and provisions of the Shares of the  
 Company conform, in all material respects, to the description thereof  
 contained in the Registration Statement and Prospectus, and the form  
 of certificate used to evidence the Shares is in proper form.  
  
 (xiv) There are no legal or governmental proceedings  
 pending or to such counsel's Actual Knowledge, threatened which are  
 required to be disclosed in the Registration Statement and Prospectus,  
 other than those disclosed therein, and to such counsel's Actual  
 Knowledge, all pending legal and governmental proceedings to which the  
 Company, the MHC or the Bank is a party or of which any of their  
 property is the subject, which are not described in the Registration  
 Statement and the Prospectus, including ordinary routine litigation  
 incidental to the Company's, the MHC's or the Bank's business, are,  
 considered in the aggregate, not material.  
  
 (xv) To such counsel's Actual Knowledge, there are no  
 material contracts, indentures, mortgages, loan agreements, notes,  
 leases or other instruments required to be described or referred to in  
 the Conversion Application, the Registration Statement or the  
 Prospectus or required to be filed as exhibits thereto other than  
 those described or referred to therein or filed as exhibits thereto in  
 the Conversion Application, the Registration Statement or the  
 Prospectus. The description in the Conversion Application, the  
 Registration Statement and the Prospectus of such documents and  
 exhibits is accurate in all material respects and fairly presents the  
 information required to be shown.  
  
 (xvi) To such counsel's Actual Knowledge, the Company, the  
 MHC and the Bank have conducted the Conversion, in all material  
 respects, in  
  
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 accordance with all applicable requirements of the Plan and the HOLA  
 and regulations thereunder, and the Plan complies in all material  
 respects with all applicable Delaware and federal laws, rules and  
 regulations including, but not limited to, the Conversion Regulations  
 (except where a written waiver has been received); no order has been  
 issued by the OTS, the Commission or any state authority to suspend  
 the Offerings or the use of the Prospectus, and no action for such  
 purposes has been instituted or, to such counsel's Actual Knowledge,  
 threatened by the OTS or the Commission or any state authority and, to  
 such counsel's Actual Knowledge, no person has sought to obtain  
 regulatory or judicial review of the final action of the OTS approving  
 the Plan, the Conversion Application or the Prospectus.  
  
 (xvii) To such counsel's Actual Knowledge, the Company, the  
 MHC and the Bank have obtained all material federal and Delaware  
 licenses, permits and other governmental authorizations currently  
 required for the conduct of their businesses and all such licenses,  
 permits and other governmental authorizations are in full force and  
 effect, and the Company, the MHC and the Bank are in all material  
 respects complying therewith, except where the failure to have such  
 licenses, permits and other governmental authorizations or the failure  
 to be in compliance therewith would not have a material adverse affect  
 on the business or operations of the Bank, the MHC and the Company,  
 taken as a whole.  
  
 (xviii) To such counsel's Actual Knowledge, neither the  
 Company, the MHC nor the Bank is in violation of its articles of  
 incorporation, bylaws, or charter, as applicable, or, to such  
 counsel's Actual Knowledge, in default or violation of any obligation,  
 agreement, covenant or condition contained in any contract, indenture,  
 mortgage, loan agreement, note, lease or other instrument to which it  
 is a party or by which it or its property may be bound except for such  
 defaults or violations which would not have a material adverse impact  
 on the financial condition or results of operations of the Company,  
 the MHC nor the Bank on a consolidated basis; to such counsel's Actual  
 Knowledge, the execution and delivery of this Agreement, the  
 occurrence of the obligations herein set forth and the consummation of  
 the transactions contemplated herein will not conflict with or  
 constitute a breach of, or default under, or result in the creation or  
 imposition of any lien, charge or encumbrance upon any property or  
 assets of the Company, the MHC or the Bank pursuant to any material  
 contract, indenture, mortgage, loan agreement, note, lease or other  
 instrument to which the  
  
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 Company, the MHC or the Bank is a party or by which any of them may be  
 bound, or to which any of the property or assets of the Company, the  
 MHC or the Bank is subject (other than the establishment of a  
 liquidation account), and such action will not result in any violation  
 of the provisions of the articles of incorporation, bylaws or charter,  
 as applicable, of the Company, the MHC or the Bank, or any applicable  
 federal or Delaware law, act, regulation (except that no opinion need  
 be rendered with respect to the securities or blue sky laws of various  
 jurisdictions or the rules and regulations of the NASD and/or the  
 Nasdaq National Market) or order or court order, writ, injunction or  
 decree.  
  
 (xix) The Company's articles of incorporation and bylaws  
 comply in all material respects with the General Corporation Law  
 ("GCL") of the State of Delaware. The Bank's and the MHC's charter  
 and bylaws comply in all material respects with the HOLA and the rules  
 and regulations of the OTS.  
  
 (xx) To such counsel's Actual Knowledge, neither the  
 Company, the MHC nor the Bank is in violation of any directive from  
 the OTS or the FDIC to make any material change in the method of  
 conducting its respective business.  
  
 (xxi) The information in the Prospectus under the captions  
 "Regulation," "The Conversion," "Restrictions on Acquisition of Finger  
 Lakes Bancorp" and "Description of Capital Stock of the Bank," and  
 "Description of Capital Stock of Finger Lakes Bancorp" to the extent  
 that such information constitutes matters of law, summaries of legal  
 matters, documents or proceedings, or legal conclusions, has been  
 reviewed by such counsel and is correct in all material respects. The  
 description of the Conversion process under the caption "The  
 Conversion" in the Prospectus has been reviewed by such counsel and is  
 in all material respects correct. The discussion of statutes or  
 regulations described or referred to in the Prospectus are accurate  
 summaries and fairly present the information required to be shown. The  
 information under the caption "Taxation" has been reviewed by such  
 counsel and constitutes a correct summary of the opinions rendered by  
 Xxxx Xxxxxx and KPMG to the Company, the MHC and the Bank with respect  
 to such matters.  
  
 In giving such opinion, such counsel may rely as to all matters  
 of fact on certificates of officers or directors of the Company, the  
 MHC and the Bank and  
  
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 certificates of public officials. Such counsel's opinion shall be  
 limited to matters governed by federal laws and by the State of  
 Delaware General Corporation Law. With respect to matters involving  
 the application of Delaware law, such counsel may rely, to the extent  
 it deems proper and as specified in its opinion, upon the opinion of  
 local counsel (providing that such counsel states that it believes the  
 Agent is justified in relying upon such specified opinion or  
 opinions). The opinion of Xxxx Xxxxxx shall be governed by the Legal  
 Opinion Accord ("Accord") of the American Bar Association Section of  
 Business Law (1991). The term "Actual Knowledge" as used herein shall  
 have the meaning set forth in the Accord. For purposes of such  
 opinion, no proceedings shall be deemed to be pending, no order or  
 stop order shall be deemed to be issued, and no action shall be deemed  
 to be instituted unless, in each case, a director or executive officer  
 of the Company, the MHC or the Bank shall have received a copy of such  
 proceedings, order, stop order or action. In addition, such opinion  
 may be limited to present statutes, regulations and judicial  
 interpretations and to facts as they presently exist; in rendering  
 such opinion, such counsel need assume no obligation to revise or  
 supplement it should the present laws be changed by legislative or  
 regulatory action, judicial decision or otherwise; and such counsel  
 need express no view, opinion or belief with respect to whether any  
 proposed or pending legislation, if enacted, or any proposed or  
 pending regulations or policy statements issued by any regulatory  
 agency, whether or not promulgated pursuant to any such legislation,  
 would affect the validity of the Conversion or any aspect thereof.  
 Such counsel may assume that any agreement is the valid and binding  
 obligation of any parties to such agreement other than the Company,  
 the MHC or the Bank.  
  
 In addition, such counsel shall provide a letter stating that  
 during the preparation of the Conversion Application, the Registration  
 Statement and the Prospectus, they participated in conferences with  
 certain officers of, the independent public and internal accountants  
 for, and other representatives of the Company, the MHC and the Bank,  
 at which conferences the contents of the Conversion Application, the  
 Registration Statement and the Prospectus and related matters were  
 discussed and, while such counsel has not confirmed the accuracy or  
 completeness of or otherwise verified the information contained in the  
 Conversion Application, the Registration Statement or the Prospectus,  
 and does not assume any responsibility for such information, based  
 upon such conferences and a review of documents deemed relevant for  
 the purpose of rendering their  
  
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 opinion (relying as to materiality as to factual matters on  
 certificates of officers and other factual representations by the  
 Company, the MHC and the Bank), nothing has come to their attention  
 that would lead them to believe that the Conversion Application, the  
 Registration Statement, the Prospectus, or any amendment or supplement  
 thereto (other than the financial statements, the notes thereto,  
 accounting information and other tabular, financial, statistical and  
 appraisal data included therein as to which no opinion need be  
 rendered) contained an untrue statement of a material fact or omitted  
 to state a material fact required to be stated therein or necessary to  
 make the statements therein, in light of the circumstances under which  
 they were made, not misleading.  
  
 (2) The favorable opinion, dated as of the Closing Date and  
 addressed to the Agent and for its benefit, of the Bank's local  
 counsel, in form and substance to the effect that, to the best of such  
 counsel's knowledge, (i) the Company, the MHC and the Bank have good  
 and marketable title to all properties and assets which are material  
 to the business of the Company, the MHC and the Bank and to those  
 properties and assets described in the Registration Statement and  
 Prospectus, as owned by them, free and clear of all liens, charges,  
 encumbrances or restrictions, except such as are described in the  
 Registration Statement and Prospectus, or are not material in relation  
 to the business of the Company, the MHC and the Bank considered as one  
 enterprise; (ii) all of the leases and subleases material to the  
 business of the Company, the MHC and the Bank under which the Company,  
 the MHC and the Bank hold properties, as described in the Registration  
 Statement and Prospectus, are in full force and effect; (iii) to  
 counsel's actual knowledge based on certificates of officers, the Bank  
 is qualified as a foreign corporation to transact business and is in  
 good standing in each jurisdiction in which its ownership of property  
 or leasing of property or the conduct of its business requires such  
 qualification, unless the failure to be so qualified in one or more of  
 such jurisdictions would not have a material adverse effect on the  
 condition, financial or otherwise, or the business, operations or  
 income of the Bank; and (iv) the MHC is duly qualified as a foreign  
 corporation to transact business and is in good standing in each  
 jurisdiction in which its ownership of property or leasing of property  
 or the conduct of its business requires such qualification, unless the  
 failure to be so qualified in one or more of such jurisdictions would  
 not have a material adverse effect on the condition, financial or  
 otherwise, or the business, operations or income of the MHC.  
  
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 (3) The favorable opinion, dated as of the Closing Date, of  
 Xxxxx Xxxxxxx LLP, the Agent's counsel, with respect to such matters  
 as the Agent may reasonably require. Such opinion may rely and as to  
 matters of fact, upon certificates of officers and directors of the  
 Company, the MHC and the Bank delivered pursuant hereto or as such  
 counsel shall reasonably request.  
  
 (d) At the Closing Date, the Agents shall receive a certificate of  
 the Chief Executive Officer and the Chief Financial Officer of the Company  
 and a certificate of the Chief Executive Officer and the Chief Financial  
 Officer of the MHC and the Bank, both dated as of such Closing Date, to the  
 effect that: (i) they have reviewed the Prospectus and, in their opinion,  
 at the time the Prospectus became authorized for final use, the Prospectus  
 did not contain any untrue statement of a material fact or omit to state a  
 material fact necessary in order to make the statements therein, in light  
 of the circumstances under which they were made, not misleading; (ii) since  
 the date the Prospectus became authorized for final use, no material  
 adverse change in the condition, financial or otherwise, or in the  
 earnings, capital, properties or business of the Company, the MHC and the  
 Bank has occurred and, to their knowledge, no other event has occurred,  
 which should have been set forth in an amendment or supplement to the  
 Prospectus which has not been so set forth, and the conditions set forth in  
 this Section 7 have been satisfied; (iii) since the respective dates as of  
 which information is given in the Registration Statement and Prospectus,  
 there has been no material adverse change in the condition, financial or  
 otherwise, or in the earnings, capital or properties of the Company, the  
 MHC or the Bank, independently, or of the Company, the MHC and the Bank  
 considered as one enterprise, whether or not arising in the ordinary course  
 of business; (iv) the representations and warranties in Section 4 are true  
 and correct with the same force and effect although expressly made at and  
 as of the Closing Date; (v) the Company, the MHC and the Bank have complied  
 in all material respects with all agreements and satisfied all conditions  
 on their part to be performed or satisfied at or prior to the Closing Date;  
 (vi) no stop order suspending the effectiveness of the Registration  
 Statement has been initiated or, to the best knowledge of the Company, the  
 MHC or the Bank, threatened by the Commission or any state authority; (vii)  
 no order suspending the Offerings, the Conversion or the effectiveness of  
 the Prospectus has been issued and no proceedings for that purpose are  
 pending or, to the best knowledge of the Company, the MHC or the Bank,  
 threatened by the OTS, the Commission or any state authority; and (viii) to  
 the best knowledge or the Company or the Bank, no person has sought to  
 obtain review of the final action of the OTS approving the Plan.  
  
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 (e) Prior to and at the Closing Date: (i) in the reasonable opinion  
 of the Agent, there shall have been no material adverse change in the  
 condition, financial or otherwise (other than as a result of a change in  
 law or regulation and affecting the savings association industry as a  
 whole), or in the earnings or business of the Company, the MHC or the Bank  
 independently, or of the Company, the MHC and the Bank considered as one  
 enterprise, from that as of the latest dates as of which such condition is  
 set forth in the Prospectus other than transactions referred to or  
 contemplated therein; (iii) the Company, the MHC or the Bank shall not have  
 received from the OTS or the FDIC any direction (oral or written) to make  
 any material change in the method of conducting their business with which  
 it has not complied (which direction, if any, shall have been disclosed to  
 the Agents) or which materially and adversely would affect the business,  
 operations or financial condition or income of the Company, the MHC and the  
 Bank considered as one enterprise; (iv) the Company, the MHC and the Bank  
 shall not have been in default (nor shall any event have occurred which,  
 with notice or lapse of time or both, would constitute a default) under any  
 provision of any agreement or instrument relating to any outstanding  
 indebtedness; (v) no action, suit or proceedings, at law or in equity or  
 before or by any federal or state commission, board or other administrative  
 agency, shall be pending or, to the knowledge of the Company, the MHC or  
 the Bank, threatened against the Company, the MHC or the Bank or affecting  
 any of their properties wherein an unfavorable decision, ruling or finding  
 would materially and adversely affect the business operations, financial  
 condition or income of the Company, the MHC and the Bank considered as one  
 enterprise; and (vi) the Shares have been qualified or registered for  
 offering and sale or exempted therefrom under the securities or blue sky  
 laws of the jurisdictions as the Agent shall have requested and as agreed  
 to by the Company and the Bank.  
  
 (f) Concurrently with the execution of this Agreement, the Agent  
 shall receive a letter from KPMG dated as of the date of the Prospectus and  
 addressed to the Agent: (i) confirming that KPMG is a firm of independent  
 public accountants within the meaning of Rule 101 of the Code of  
 Professional Ethics of the American Institute of Certified Public  
 Accountants and applicable regulations of the OTS and FDIC and stating in  
 effect that in KPMG's opinion the financial statements of the Company  
 and/or the Bank (as applicable) as of December 31, 1999 and 1998, and for  
 each of the three years in the period ended December 31, 1999, as are  
 included in the Prospectus and covered by their opinion included therein,  
 comply as to form in all material respects with the applicable accounting  
 requirements and related published rules and regulations of the OTS, the  
 FDIC, the SEC and the 1933 Act; (ii) a statement from KPMG in effect that,  
 on  
  
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 the basis of certain agreed upon procedures (but not an audit in accordance  
 with generally accepted auditing standards) consisting of a reading of the  
 latest available unaudited interim consolidated financial statements of the  
 Company prepared by the Company, a reading of the minutes of the meetings  
 of the Board of Directors of the Company and the Bank and consultations  
 with officers of the Company and the Bank responsible for financial and  
 accounting matters, nothing came to their attention which caused them to  
 believe that: (A) the unaudited financial statements included in the  
 Prospectus, are not in conformity with the 1933 Act, applicable accounting  
 requirements of the OTS, the FDIC, and the SEC and generally accepted  
 accounting principles applied on a basis substantially consistent with that  
 of the audited financial statements included in the Prospectus; or (B)  
 during the period from the date of the latest unaudited consolidated  
 financial statements included in the Prospectus to a specified date not  
 more than three business days prior to the date of the Prospectus, except  
 as has been described in the Prospectus, there was any material increase in  
 borrowings, other than normal deposit fluctuations, by the Company or the  
 Bank; or (C) there was any decrease in consolidated net assets of the  
 Company or the Bank at the date of such letter as compared with amounts  
 shown in the latest unaudited consolidated statement of condition included  
 in the Prospectus; and (iii) a statement from KPMG that, in addition to the  
 audit referred to in their opinion included in the Prospectus and the  
 performance of the procedures referred to in clause (ii) of this subsection  
 (f), they have compared with the general accounting records of the Company  
 and the Bank, which are subject to the internal controls of the Company and  
 the Bank, the accounting system and other data prepared by the Company and  
 the Bank, directly from such accounting records, to the extent specified in  
 such letter, such amounts and/or percentages set forth in the Prospectus as  
 the Agent may reasonably request; and they have reported on the results of  
 such comparisons.  
  
 (g) At the Closing Date, the Agent shall receive a letter from KPMG  
 dated the Closing Date, addressed to the Agent, confirming the statements  
 made by them in the letter delivered by them pursuant to subsection (f) of  
 this Section 7, the "specified date" referred to in clause (ii) of  
 subsection (f) thereof to be a date specified in such letter, which shall  
 not be more than three business days prior to the Closing Date.  
  
 (h) At the Closing Date, the Agent shall receive a letter from  
 FinPro, dated the date thereof and addressed to counsel for the Agent (i)  
 confirming that said firm is independent of the Company, the MHC and the  
 Bank and is experienced and expert in the area of corporate appraisals  
 within the meaning of Title 12 of the Code of Federal Regulations, Part  
 303, (ii) stating in effect that the Appraisal prepared by such firm  
  
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 complies in all material respects with the applicable requirements of Title  
 12 of the Code of Federal Regulations, and (iii) further stating that their  
 opinion of the estimated aggregate pro forma market value of the Company,  
 the MHC and the Bank expressed in their Appraisal dated as of  
 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2000, and most recently updated, remains in effect.  
  
 (i) The Company, the MHC and the Bank shall not have sustained since  
 the date of the latest audited financial statements included in the  
 Prospectus any material loss or interference with their businesses from  
 fire, explosion, flood or other calamity, whether or not covered by  
 insurance, or from any labor dispute or court or governmental action, order  
 or decree, otherwise than as set forth or contemplated in the Registration  
 Statement and Prospectus.  
  
 (j) At or prior to the Closing Date, the Agent shall receive: (i) a  
 copy of the letter from the OTS approving the Conversion Application and  
 authorizing the use of the Prospectus; (ii) a copy of the order from the  
 Commission declaring the Registration Statement effective; (iii)  
 certificates from the OTS evidencing the existence of the Bank and the MHC;  
 (iv) certificates of good standing from the State of Delaware evidencing  
 the good standing of the Company; (v) a certificate from the FDIC  
 evidencing the Bank's insurance of accounts, and (vi) a certificate of the  
 FHLB-New York evidencing the Bank's membership thereof.  
  
 (k) Subsequent to the date hereof, there shall not have occurred any  
 of the following: (i) a suspension or limitation in trading in securities  
 generally on the New York Stock Exchange or in the over-the-counter market,  
 or quotations halted generally on the Nasdaq National Market, or minimum or  
 maximum prices for trading have been fixed, or maximum ranges for prices  
 for securities have been required by either of such exchanges or the NASD  
 or by order of the Commission or any other governmental authority; (ii) a  
 general moratorium on the operations of commercial banks or federal savings  
 associations or a general moratorium on the withdrawal of deposits from  
 commercial banks or federal savings associations declared by federal or  
 state authorities; (iii) the engagement by the United States in hostilities  
 which have resulted in the declaration, on or after the date hereof, of a  
 national emergency or war; or (iv) a material decline in the price of  
 equity or debt securities if the effect of such a declaration or decline,  
 in the Agent's reasonable judgment, makes it impracticable or inadvisable  
 to proceed with the Offerings or the delivery of the shares on the terms  
 and in the manner contemplated in the Registration Statement and  
 Prospectus.  
  
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 Section 8. Indemnification.  
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 (a) The Parties jointly and severally agree to indemnify and hold  
 harmless the Agent, its officers, directors, agents, servants and employees  
 and each person, if any, who controls the Agent within the meaning of  
 Section 15 of the 1933 Act or Section 20(a) of the 1934 Act, against any  
 and all loss, liability, claim, damage or expense whatsoever (including but  
 not limited to settlement expenses), joint or several, that the Agent or  
 any of them may suffer or to which the Agent and any such persons may  
 become subject under all applicable federal or state laws or otherwise, and  
 to promptly reimburse the Agent and any such persons upon written demand  
 for any expense (including fees and disbursements of counsel) incurred by  
 the Agent or any of them in connection with investigating, preparing or  
 defending any actions, proceedings or claims (whether commenced or  
 threatened) to the extent such losses, claims, damages, liabilities or  
 actions: (i) arise out of or are based upon any untrue statement or alleged  
 untrue statement of a material fact contained in the Registration Statement  
 (or any amendment or supplement thereto), preliminary or final Prospectus  
 (or any amendment or supplement thereto), the Conversion Application (or  
 any amendment or supplement thereto), or any blue sky application or other  
 instrument or document executed by the Company, the MHC or the Bank based  
 upon written information supplied by the Company, the MHC or the Bank filed  
 in any state or jurisdiction to register or qualify any or all of the  
 Shares or to claim an exemption therefrom, or provided to any state or  
 jurisdiction to exempt the Company as a broker-dealer or its officers,  
 directors and employees as broker-dealers or agents, under the securities  
 laws thereof (collectively, the "Blue Sky Application"), or any application  
 or other document, advertisement, oral statement or communication ("Sales  
 Information") prepared, made or executed by or on behalf of the Company,  
 the MHC or the Bank with their consent or based upon written or oral  
 information furnished by or on behalf of the Company, the MHC or the Bank,  
 whether or not filed in any jurisdiction, in order to qualify or register  
 the Shares or to claim an exemption therefrom under the securities laws  
 thereof; (ii) arise out of or based upon the omission or alleged omission  
 to state in any of the foregoing documents or information, a material fact  
 required to be stated therein or necessary to make the statements therein,  
 in light of the circumstances under which they were made, not misleading;  
 or (iii) arise from any theory of liability whatsoever relating to or  
 arising from or based upon the Registration Statement (or any amendment or  
 supplement thereto), preliminary or final Prospectus (or any amendment or  
 supplement thereto), the Conversion Application (or any amendment or  
 supplement thereto), any Blue Sky Application or Sales Information or other  
  
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 documentation distributed in connection with the Conversion; provided,  
 however, that no indemnification is required under this paragraph (a) to  
 the extent such losses, claims, damages, liabilities or actions arise out  
 of or are based upon any untrue material statement or alleged untrue  
 material statements in, or material omission or alleged material omission  
 from, the Registration Statement (or any amendment or supplement thereto),  
 preliminary or final Prospectus (or any amendment or supplement thereto),  
 the Conversion Application, any Blue Sky Application or Sales Information  
 made in reliance upon and in conformity with information furnished in  
 writing to the Company or the Bank by the Agent regarding the Agent and  
 provided further that such indemnification shall be to the extent permitted  
 by the OTS and the FDIC. The Parties will not be liable to any indemnified  
 party under the foregoing indemnification and reimbursement provisions, (i)  
 for any settlement by an indemnified party effected without prior written  
 consent of the Parties; or (ii) to the extent that any loss, claim, damage  
 or liability is found in a final judgment by a court to have resulted  
 primarily from the Agent's gross negligence or willful misconduct. The  
 Agent shall repay to the Company any amounts paid by the Company for  
 reimbursement of the Agent's and any indemnified party's expenses in the  
 event that such expenses were incurred in relation to an act or omission  
 with respect to which it is finally determined that the Agent has acted in  
 gross negligence or with willful misconduct. The Parties also agree that no  
 indemnified party shall have any liability (whether direct or indirect, in  
 contract or tort or otherwise) to the Company or the Bank or their security  
 holders or creditors related to or arising out of the engagement of the  
 Agent pursuant to, or the performance by the Agent of the services  
 contemplated by, this Agreement except to the extent that any loss, claim,  
 damage or liability is found in a final judgment by a court to have  
 resulted primarily from the Agent's gross negligence or willful misconduct.  
  
 (b) The Agent agrees to indemnify and hold harmless the Company, the  
 MHC and the Bank, their directors and officers and each person, if any, who  
 controls the Company, the MHC or the Bank within the meaning of Section 15  
 of the 1933 Act or Section 20(a) of the 1934 Act against any and all loss,  
 liability, claim, damage or expense whatsoever (including but not limited  
 to settlement expenses), joint or several, which they, or any of them, may  
 suffer or to which they, or any of them may become subject under all  
 applicable federal and state laws or otherwise, and to promptly reimburse  
 the Company, the MHC, the Bank, and any such persons upon written demand  
 for any expenses (including reasonable fees and disbursements of counsel)  
 incurred by them, or any of them, in connection with investigating,  
 preparing or defending any actions, proceedings or claims (whether  
 commenced or threatened) to the extent such losses,  
  
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 claims, damages, liabilities or actions arise out of or are based upon any  
 untrue statement or alleged untrue statement of a material fact contained  
 in the Registration Statement (or any amendment or supplement thereto), the  
 Conversion Application (or any amendment or supplement thereto) or the  
 preliminary or final Prospectus (or any amendment or supplement thereto),  
 or are based upon the omission or alleged omission to state in any of the  
 foregoing documents a material fact required to be stated therein or  
 necessary to make the statements therein, in the light of the circumstances  
 under which they were made, not misleading; provided, however, that the  
 Agent's obligations under this Section 8(b) shall exist only if and only to  
 the extent (i) that such untrue statement or alleged untrue statement was  
 made in, or such material fact or alleged material fact was omitted from,  
 the Registration Statement (or any amendment or supplement thereto), the  
 preliminary or final Prospectus (or any amendment or supplement thereto) or  
 the Conversion Application (or any amendment or supplement thereto), any  
 Blue Sky Application or Sales Information in reliance upon and in  
 conformity with information furnished in writing to the Company or the Bank  
 by the Agent regarding the Agent. In no case shall the Agent be liable or  
 responsible for any amount in excess of the fees received by the Agent  
 pursuant to Section 2 of this Agreement. The Agent will not be liable to  
 any indemnified party under the foregoing indemnification and reimbursement  
 provisions, (i) for any settlement by an indemnified party effected without  
 its prior written consent; or (ii) to the extent that any loss, claim,  
 damage or liability is found in a final judgment by a court to have  
 resulted primarily from the Bank or Company's gross negligence or willful  
 misconduct. The Bank shall repay to the Agent any amounts paid by the Agent  
 for reimbursement of the Bank's and any indemnified party's expenses in the  
 event that such expenses were incurred in relation to an act or omission  
 with respect to which it is finally determined that the Bank or Company  
 have acted in gross negligence or with willful misconduct. The Agent also  
 agrees that no indemnified party shall have any liability (whether direct  
 or indirect, in contract or tort or otherwise) to the Agent or its security  
 holders or creditors related to or arising out of the engagement of the  
 Agent except to the extent that any loss, claim, damage or liability is  
 found in a final judgment by a court to have resulted primarily from the  
 Company's or the Bank's gross negligence or willful misconduct.  
  
 (c) Each indemnified party shall give prompt written notice to each  
 indemnifying party of any action, proceeding, claim (whether commenced or  
 threatened), or suit instituted against it in respect of which indemnity  
 may be sought hereunder, but failure to so notify an indemnifying party  
 shall not relieve it from any liability which it may have on account of  
 this Section 8 or otherwise. An indemnifying party may  
  
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 participate at its own expense in the defense of such action. In addition,  
 if it so elects within a reasonable time after receipt of such notice, an  
 indemnifying party, jointly with any other indemnifying parties receiving  
 such notice, may assume defense of such action with counsel chosen by it  
 and approved by the indemnified parties that are defendants in such action,  
 unless such indemnified parties reasonably object to such assumption on the  
 ground that there may be legal defenses available to them that are  
 different from or in addition to those available to such indemnifying  
 party. If an indemnifying party assumes the defense of such action, the  
 indemnifying parties shall not be liable for any fees and expenses of  
 counsel for the indemnified parties incurred thereafter in connection with  
 such action, proceeding or claim, other than reasonable costs of  
 investigation. In no event shall the indemnifying parties be liable for the  
 fees and expenses of more than one separate firm of attorneys (and any  
 special counsel that said firm may retain) for each indemnified party in  
 connection with any one action, proceeding or claim or separate but similar  
 or related actions, proceedings or claims in the same jurisdiction arising  
 out of the same general allegations or circumstances.  
  
 (d) The agreements contained in this Section 8 and in Section 9  
 hereof and the representations and warranties of the Company, the MHC and  
 the Bank set forth in this Agreement shall remain operative and in full  
 force and effect regardless of: (i) any investigation made by or on behalf  
 of the Agent or its officers, directors or controlling persons, agents or  
 employees or by or on behalf of the Company, the MHC or the Bank or any  
 officers, directors or controlling persons, agents or employees of the  
 Company, the MHC or the Bank; (ii) deliver of and payment hereunder for the  
 Shares; or (iii) any termination of this Agreement.  
  
 (e) To the extent required by law, this Section 8 is subject to the  
 provisions of Sections 23A and 23B of the Federal Reserve Act, 12 U.S.C.  
 Sections 371c and 371c-1 ("Sections 23A and 23B").  
  
 Section 9. Contribution. In order to provide for just and equitable  
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contribution in circumstances in which the indemnification provided for in  
Section 8 is due in accordance with its terms but is for any reason held by a  
court to be unavailable from the Company, the Bank or the Agent, the Company,  
the Bank and the Agent shall contribute to the aggregate losses, claims, damages  
and liabilities (including any investigation, legal and other expenses incurred  
in connection with, and any amount paid in settlement of, any action, suit or  
proceeding of any claims asserted, but after deducting any contribution received  
by the Company, the Bank or the Agent from persons other than the other party  
thereto, who may also be liable for contribution) in  
  
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such proportion so that the Agent shall be responsible for that portion  
represented by the percentage that the fees paid to the Agent pursuant to  
Section 2 of this Agreement (not including expenses) bears to the gross proceeds  
received by the Company from the sale of the Shares in the Offerings and the  
Company and the Bank shall be responsible for the balance. If, however, the  
allocation provided above is not permitted by applicable law or if the  
indemnified party failed to give the notice required under Section 8 above, then  
each indemnifying party shall contribute to such amount paid or payable by such  
indemnified party in such proportion as is appropriate to reflect not only such  
relative fault of the Company and the Bank on the one hand and the Agent on the  
other in connection with the statements or omissions which resulted in such  
losses, claims, damages or liabilities (or actions, proceedings or claims in  
respect thereto), but also the relative benefits received by the Company and the  
Bank on the one hand and the Agent on the other from the Offerings (before  
deducting expenses). The relative fault shall be determined by reference to,  
among other things, whether the untrue or alleged untrue statement of a material  
fact or the omission or alleged omission to state a material fact relates to  
information supplied by the Company and/or the Bank on the one hand or the Agent  
on the other and the parties' relative intent, good faith, knowledge, access to  
information and opportunity to correct or prevent such statement or omission.  
The Company, the Bank and the Agent agree that it would not be just and  
equitable if contribution pursuant to this Section 9 were determined by pro-rata  
allocation or by any other method of allocation which does not take into account  
the equitable considerations referred to above in this Section 9. The amount  
paid or payable by an indemnified party as a result of the losses, claims,  
damages or liabilities (or actions, proceedings or claims in respect thereof)  
referred to above in this Section 9 shall be deemed to include any legal or  
other expenses reasonably incurred by such indemnified party in connection with  
investigating or defending any such action, proceeding or claim. It is expressly  
agreed that the Agent shall not be liable for any loss, liability, claim, damage  
or expense or be required to contribute any amount which in the aggregate  
exceeds the amount paid (excluding reimbursable expenses) to the Agent under  
this Agreement. It is understood that the above stated limitation on the Agent's  
liability is essential to the Agent and that the Agent would not have entered  
into this Agreement if such limitation had not been agreed to by the parties to  
this Agreement. No person found guilty of any fraudulent misrepresentation  
(within the meaning of Section 11(f) of the 0000 Xxx) shall be entitled to  
contribution from any person who was not found guilty of such fraudulent  
misrepresentation. The obligations of the Company and the Bank under this  
Section 9 and under Section 8 shall be in addition to any liability which the  
Company and the Bank may otherwise have. For purposes of this Section 9, each of  
the Agent's, the Company's or the Bank's officers and directors and each person,  
if any, who controls the Agent or the Company or the Bank within the meaning of  
the 1933 Act and the 1934 Act shall have the same rights to contribution as the  
Agent, the Company or the Bank. Any party entitled to contribution, promptly  
after receipt of  
  
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notice of commencement of any action, suit, claim or proceeding against such  
party in respect of which a claim for contribution may be made against another  
party under this Section 9, will notify such party from whom contribution may be  
sought, but the omission to so notify such party shall not relieve the party  
from whom contribution may be sought from any other obligation it may have  
hereunder or otherwise than under this Section 9. To the extent required by law,  
this Section 9 is subject to and limited by the provisions of Sections 23A and  
23B.  
  
 Section 10. Survival of Agreements, Representations and Indemnities. The  
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respective indemnities of the Company, the Bank and the Agent and the  
representations and warranties and other statements of the Company and the Bank  
set forth in or made pursuant to this Agreement shall remain in full force and  
effect, regardless of any termination or cancellation of this Agreement or any  
investigation made by or on behalf of the Agent, the Company, the Bank or any  
controlling person referred to in Section 8 hereof, and shall survive the  
issuance of the Shares, and any legal representative, successor or assign of the  
Agent, the Company, the Bank, and any such controlling person shall be entitled  
to the benefit of the respective agreements, indemnities, warranties and  
representations.  
  
 Section 11. Termination. The Agent may terminate its obligations under  
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this Agreement by giving the notice indicated below in this Section 11 at any  
time after this Agreement becomes effective as follows:  
  
 (a) In the event the Company fails to sell all of the Shares by  
 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2000, and in accordance with the provisions of the Plan or  
 as required by the Conversion Regulations, and applicable law, this  
 Agreement shall terminate upon refund by the Bank to each person who has  
 subscribed for or ordered any of the Shares the full amount which it may  
 have received from such person, together with interest as provided in the  
 Prospectus, and no party to this Agreement shall have any obligation to the  
 other hereunder, except for payment by the Company and/or the Bank as set  
 forth in Sections 2(a) and (d), 6, 8 and 9 hereof.  
  
 (b) If any of the conditions specified in Section 7 shall not have  
 been fulfilled when and as required by this Agreement unless waived in  
 writing, or by the Closing Date, this Agreement and all of the Agent's  
 obligations hereunder may be canceled by the Agent by notifying the  
 Company, the MHC and the Bank of such cancellation in writing or by  
 telegram at any time at or prior to the Closing Date, and any such  
 cancellation shall be without liability of any party to any other party  
 except as otherwise provided in Sections 2, 6, 8 and 9 hereof.  
  
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 (c) If the Agent elects to terminate this Agreement as provided in  
 this Section, the Company, the MHC and the Bank shall be notified promptly  
 by the Agent by telephone or telegram, confirmed by letter.  
  
 The Company, the MHC and the Bank may terminate this Agreement in the event  
the Agent is in material breach of the representations and warranties or  
covenants contained in Section 5 and such breach has not been cured after the  
Company and the Bank have provided the Agent with notice of such breach.  
  
 This Agreement may also be terminated by mutual written consent of the  
parties hereto.  
  
 Section 12. Notices. All communications hereunder, except as herein  
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otherwise specifically provided, shall be mailed in writing and if sent to the  
Agent shall be mailed, delivered or telegraphed and confirmed to Friedman,  
Billings, Xxxxxx & Co., Inc., 0000 00xx Xxxxxx Xxxxx, Xxxxxxxxx, Xxxxxxxx  
00000-0000, Attention: Xxxxx Xxxxxxxxxx (with a copy to Xxxxx Xxxxxxx LLP, 0000  
00xx Xxxxxx, X.X., Xxxxx 000, Xxxxxxxxxx, X.X. 00000, Attention: Xxxxxxx X.  
Xxxxxxx, Esq.) and, if sent to the Company, the MHC and the Bank, shall be  
mailed, delivered or telegraphed and confirmed to the Company, the MHC and the  
Bank at 000 Xxxxxxxx Xxxxxx, Xxxxxx, XX 00000, Attention: G. Xxxxxx Xxxxxx,  
President and Chief Executive Officer (with a copy to Xxxx Xxxxxx, Attention:  
Xxxx Xxxxxx, Esq.)  
  
 Section 13. Parties. The Company, the MHC and the Bank shall be entitled  
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to act and rely on any request, notice, consent, waiver or agreement purportedly  
given on behalf of the Agent, when the same shall have been given by the  
undersigned. The Agent shall be entitled to act and rely on any request,  
notice, consent, waiver or agreement purportedly given on behalf of the Company,  
the MHC or the Bank, when the same shall have been given by the undersigned or  
any other officer of the Company, the MHC or the Bank. This Agreement shall  
inure solely to the benefit of, and shall be binding upon, the Agent, the  
Company, the MHC, the Bank, and their respective successors, legal  
representatives and assigns, and no other person shall have or be construed to  
have any legal or equitable right, remedy or claim under or in respect of or by  
virtue of this Agreement or any provision herein contained. It is understood  
and agreed that this Agreement is the exclusive agreement among the parties  
hereto, and supersedes any prior agreement among the parties and may not be  
varied except in writing signed by all the parties.  
  
 Section 14. Closing. The closing for the sale of the Shares shall take  
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place on the Closing Date at such location as mutually agreed upon by the Agent  
and the Company, the MHC and the Bank. At the closing, the Company, the MHC  
  
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and the Bank shall deliver to the Agent in next day funds the commissions, fees  
and expenses due and owing to the Agent as set forth in Sections 2 and 6 hereof  
and the opinions and certificates required hereby and other documents deemed  
reasonably necessary by the Agent shall be executed and delivered to effect the  
sale of the Shares as contemplated hereby and pursuant to the terms of the  
Prospectus.  
  
 Section 15. Partial Invalidity. In the event that any term, provision or  
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covenant herein or the application thereof to any circumstance or situation  
shall be invalid or unenforceable, in whole or in part, the remainder hereof and  
the application of said term, provision or covenant to any other circumstances  
or situation shall not be affected thereby, and each term, provision or covenant  
herein shall be valid and enforceable to the full extent permitted by law.  
  
 Section 16. Construction. This Agreement shall be construed in accordance  
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with the laws of the State of Delaware.  
  
 Section 17. Counterparts. This Agreement may be executed in separate  
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counterparts, each of which so executed and delivered shall be an original, but  
all of which together shall constitute but one and the same instrument.  
  
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 If the foregoing correctly sets forth the arrangement among the Company,  
the MHC, the Bank, and the Agent, please indicate acceptance thereof in the  
space provided below for that purpose, whereupon this letter and the Agent's  
acceptance shall constitute a binding agreement.  
  
 Very truly yours,  
  
FINGER LAKES BANCORP, INC. SAVINGS BANK OF THE FINGER  
 LAKES  
  
  
By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
 G. Xxxxxx Xxxxxx G. Xxxxxx Xxxxxx  
 President and Chief Executive President and Chief Executive  
 Officer Officer  
  
  
FINGER LAKES FINANCIAL CORPORATION, MHC  
  
  
By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
 G. Xxxxxx Xxxxxx  
 President and Chief Executive  
 Officer  
  
  
  
Accepted as of the date first above written  
  
FRIEDMAN, BILLINGS, XXXXXX & CO., INC.  
  
  
By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
 Xxxxx X. Xxxxxxxxx  
 Managing Director  
  
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 EXHIBIT B  
  
 FINGER LAKES BANCORP, INC.  
  
 Up to 2,155,593 Shares (Anticipated Maximum)  
 (Par Value $.01 Per Share)  
  
 Selected Dealers' Agreement  
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 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2000  
  
  
Gentlemen:  
  
 We have agreed to assist Savings Bank of the Finger Lakes (the "Bank"), a  
federally chartered stock savings bank, and the Bank's federal mutual holding  
company, Finger Lakes Financial Corp. (the "MHC"), in connection with the offer  
and sale of up to 2,122,545 shares of the conversion common stock, par value  
$.01 per share (the "Common Stock") of Finger Lakes Bancorp, Inc. (the  
"Company"), a Delaware corporation, to be issued in connection with the  
conversion of the MHC. The total number of shares of Common Stock to be offered  
may be decreased to a minimum of 25 shares. The price per share has been fixed  
at $7.00. The Common Stock, the number of shares to be issued, and certain of  
the terms on which they are being offered, are more fully described in the  
enclosed Prospectus dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2000 (the "Prospectus"). In  
connection with the Conversion, the Company, on a best-efforts basis is offering  
for sale between 1,593,259 and 2,155,593 shares (the "Shares") of the Common  
Stock, in a Subscription Offering, as defined, as contemplated by Office of  
Thrift Supervision (the "OTS") Regulation. Any Shares not sold in the  
Subscription Offering will be offered to the general public in a community  
offering (the "Community Offering") giving preference to residents of the Bank's  
Local Community, as defined in the Prospectus.  
  
 The Subscription and Community Offerings are being conducted under a Plan  
of Conversion (the "Plan") adopted by the Bank and the MHC pursuant to which the  
MHC intends to convert from a federal mutual holding company to an interim  
federal stock savings bank and simultaneously merge with and into the Company  
(the "Conversion"). As part of the Conversion, the Company will sell the Common  
Stock to the public as provided for in the Plan. The Subscription and Community  
Offerings are further being conducted in accordance with the regulations of the  
OTS subject to the restrictions contained in the Plan.  
  
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 The Common Stock is also being offered in accordance with the Plan by  
broker/dealers licensed by the National Association of Securities Dealers, Inc.  
("NASD"), which have been approved by the Bank ("Approved Brokers").  
  
 We are offering the selected dealers (of which you are one) the opportunity  
to participate in the solicitation of offers to buy the Common Stock and we will  
pay you a fee in the amount of four percent (4%) of the dollar amount of the  
Common Stock sold on behalf of the Company by you, as evidenced by the  
authorized designation of your firm on the order form or forms for payment  
therefor to the special account established by the Bank for the purpose of  
holding such funds. It is understood, of course, that payment of your fee will  
be made only out of compensation received by us for the Common Stock sold on  
behalf of the Company by you, as evidenced in accordance with the preceding  
sentence. As soon as practicable after the closing date of the offering, we  
will remit to you, only out of our compensation as provided above, the fees to  
which you are entitled hereunder.  
  
 Each order form for the purchase of Common Stock must set forth the  
identity and address of each person to whom the certificates for such Common  
Stock should be issued and delivered. Such order form also must clearly  
identify your firm in order for you to receive compensation. You shall instruct  
any subscriber who elects to send his order form to you to make any accompanying  
check payable to "Finger Lakes Bancorp, Inc."  
  
 This offer is made subject to the terms and conditions herein set forth and  
is made only to selected dealers who are members in good standing of the NASD  
who are to comply with all applicable rules of the NASD, including, without  
limitation, the NASD's Interpretation With Respect to Free-Riding and  
Withholding and Section 24 of Article III of the NASD's Rules of Fair Practice.  
  
 Orders for Common Stock will be subject to confirmation and we, acting on  
behalf of the Company, the MHC and the Bank, reserve the right in our unfettered  
discretion to reject any order in whole or in part, to accept or reject orders  
in the order of their receipt or otherwise, and to allot. Neither you nor any  
other person is authorized by the Company, the MHC and the Bank, or by us to  
give any information or make any representations other than those contained in  
the Prospectus in connection with the sale of any of the Common Stock. No  
selected dealer is authorized to act as agent for us when soliciting offers to  
buy the Common Stock from the public or otherwise. No selected dealer shall  
engage in any stabilizing (as defined in Rule 10b-7 promulgated under the  
Securities Exchange Act of 1934) with respect to the Company's Common Stock  
during the offering.  
  
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 We and each selected dealer assisting in selling Common Stock pursuant  
hereto agree to comply with the applicable requirements of the Securities  
Exchange Act of 1934 and applicable state rules and regulations. Each customer-  
carrying selected dealer that is not a $250,000 net capital reporting  
broker/dealer agrees that it will not use a sweep arrangement and that it will  
transmit all customer checks by noon of the next business day after receipt  
thereof. In addition, we and each selected dealer confirm that the Securities  
and Exchange Commission interprets Rule 15c2-8 promulgated under the Securities  
Exchange Act of 1934 as requiring that a Prospectus be supplied to each person  
who is expected to receive a confirmation of sale 48 hours prior to delivery of  
such person's order form.  
  
 We and each selected dealer further agree that to the extent that your  
customers desire to pay for shares with funds held by or to be deposited with  
us, in accordance with the interpretations of the Securities and Exchange  
Commission of Rule 15c2-4 promulgated under the Securities and Exchange Act of  
1934, either (a) upon receipt of an executed order form or direction to execute  
an order form on behalf of a customer to forward the offering price of the  
Common Stock ordered on or before twelve noon Delaware time of the next business  
day following receipt or execution of an order form by us to the Company for  
deposit in a segregated account or (b) to solicit indications of interest in  
which event (i) we will subsequently contact any customer indicating interest to  
confirm the interest and give instructions to execute and return an order form  
or to receive authorization to execute the order form on the customer's behalf,  
(ii) we will mail acknowledgments of receipt of orders to each customer  
confirming interest on the business day following such confirmation, (iii) we  
will debit accounts of such customers on the third business day (the "Debit  
Date") following receipt of the confirmation referred to in (i), and (iv) we  
will forward complete order forms together with such funds to the Company on or  
before twelve noon on the next business day and each selected dealer  
acknowledges that if the procedure in (b) is adopted, our customers' funds are  
not required to be in their accounts until the Debit Date.  
  
 Unless earlier terminated by us, this Agreement shall terminate upon the  
closing date of the Conversion. We may terminate this Agreement or any  
provisions hereof any time by written or telegraphic notice to you. Of course,  
our obligations hereunder are subject to the successful completion of the  
Conversion.  
  
 You agree that at any time or times prior to the termination of this  
Agreement you will, upon our request, report to us the number of shares of  
Common Stock sold on behalf of the Company by you under this Agreement.  
  
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 We shall have full authority to take such actions as we may deem advisable  
in respect of all matters pertaining to the offering. We shall be under no  
liability to you except for lack of good faith and for obligations expressly  
assumed by us in this Agreement.  
  
 Upon application to us, we will inform you as to the states in which we  
believe the Common Stock has been qualified for sale under, or are exempt from  
the requirements of, the respective blue sky laws of such states, but we assume  
no responsibility or obligation as to your rights to sell Common Stock in any  
state.  
  
 Additional copies of the Prospectus and any supplements thereto will be  
supplied in reasonable quantities upon request.  
  
 Any notice from us to you shall be deemed to have been duly given if  
mailed, telephoned, or telegraphed to you at the address to which this Agreement  
is mailed.  
  
 This Agreement shall be construed in accordance with the laws of the State  
of Delaware.  
  
  
 Please confirm your agreement hereto by signing and returning the  
confirmations accompanying this letter at once to us at Friedman, Billings,  
Xxxxxx & Co., Inc., Potomac Tower, 0000 Xxxxxxxxxx Xxxxxx Xxxxx, Xxxxxxxxx,  
Xxxxxxxx 00000. The enclosed duplicate copy will evidence the agreement  
between us.  
  
FRIEDMAN, BILLINGS, XXXXXX & CO., INC.  
  
  
  
By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
 Xxxxx X. Xxxxxxxxx  
 Managing Director  
  
  
CONFIRMED AS OF:  
  
  
 , 2000  
  
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(Name of Dealer)  
  
  
By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
  
  
Its:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
  
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