

At a meeting of the Oneida County Industrial Development Agency (the "Issuer"), held at 153 Brooks Road, Rome, New York 13441, on the ____ day of October, 2004, the following members of the Issuer were:

PRESENT:

ABSENT:

ALSO PRESENT:

Upon motion duly made and recorded, the following resolution was duly adopted by the Issuer with its members voting as follows:

Aye

Nay

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF THE ISSUER'S MULTI-MODE VARIABLE RATE CIVIC FACILITY REVENUE BONDS (MOHAWK VALLEY COMMUNITY COLLEGE DORMITORY CORPORATION PROJECT - LETTER OF CREDIT SECURED), SERIES 2004A AND SERIES 2004B (TAXABLE) IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$12,000,000 AND THE EXECUTION OF RELATED DOCUMENTS.

WHEREAS, the Oneida County Industrial Development Agency (the "Issuer") received an application (the "Application") from Mohawk Valley Community College Dormitory Corporation (the "Company") requesting that the Issuer undertake a project (the "Project") consisting of (A) the acquisition by the Issuer of an interest in an approximately 5 acre parcel of land (the "Land") located on the campus of Mohawk Valley Community College (the "College") in the City of Utica, Oneida County, New York including the existing College dormitory facilities (the "Existing Dormitories") located on the Land, (B) the renovation of the Existing Dormitories (the "Renovations"), (C) the construction of a new dormitory on the Land to house approximately 155 College students (the "New Dormitory" and, together with the Existing Dormitories, the "Facilities"), (D) the acquisition and installation in the Facilities of certain furniture, machinery and equipment (the "Equipment"; the Land, the Facilities, the Renovations and the Equipment are collectively referred to as the "Project Facility"), (E) the payment of costs incidental to the financing thereof, including possible financing of debt service reserve funds, (F) the financing of all or a portion of the foregoing by the issuance of revenue bonds of the Issuer in the aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, (G) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemption from real estate transfer taxes and mortgage recording taxes (collectively with the bonds, the "Financial Assistance"), and (H) the sale of the Issuer's interest in the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Issuer; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act"), and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the "Regulations," and collectively with the SEQR Act, "SEQRA"), the Issuer has determined, by resolution adopted on April 29, 2004, that the Project will not have a significant impact on the environment within the meaning of SEQRA;

WHEREAS, by resolution adopted by the members of the Issuer on April 29, 2004 (the "Preliminary Inducement Resolution"), the members of the Issuer agreed, subject to numerous conditions, including (A) all requirements of the SEQR Act that relate to the Project and (B) the public hearing and notice requirements and other procedural requirements contained in Section 859-a of the Act, to accept the Application and enter into a preliminary agreement relating to the Project; and

WHEREAS, pursuant to the authorization contained in the Preliminary Inducement Resolution, the Issuer (A) caused notice of a public hearing of the Issuer (the "Public Hearing") pursuant to Section 859-a of the Act and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), to hear all persons interested in the Project and the financial assistance being contemplated by the Issuer with respect to the Project, to be mailed to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be published on May 7, 2004 in The Observer-Dispatch, a newspaper of general circulation available to residents of the City of Utica, (C) conducted the Public Hearing on June 10, 2004 at 3:00 o'clock p.m., local time at the Oneida County Office Building, County Executive Conference Room, 10th Floor, Utica, New York, and (D) prepared a report of the Public Hearing (the "Report") which fairly summarized the views presented at said public hearing and distributed the Report to the members of the Issuer and to the Oneida County Executive; and

WHEREAS, the Issuer now proposes to issue its Multi-Mode Variable Rate Civic Facility Revenue Bonds (Mohawk Valley Community College Dormitory Corporation Project - Letter of Credit Secured), Series 2004A (the "Series 2004A Bonds") and its Multi-Mode Variable Rate Civic Facility Revenue Bonds (Mohawk Valley Community College Dormitory Corporation Project - Letter of Credit Secured), Series 2004B (Taxable) in an aggregate principal amount not to exceed \$12,000,000 (the "Bonds") for the purpose of financing a portion of the costs of undertaking the Project; and

WHEREAS, the Bonds are to be issued under a trust indenture (the "Indenture") by and between the Issuer and HSBC Bank USA, National Association, as trustee for the holders of the Bonds (the "Trustee"); and

WHEREAS, simultaneously with the issuance of the Bonds, (A) the Company will execute and deliver (1) a certain license agreement (the "License to Issuer") by and between the Company and the Issuer, pursuant to which the Company will grant to the Issuer a license to enter upon the Existing Dormitories and the Land for the purpose of undertaking and completing the Project, and (2) a bill of sale (the "Bill of Sale to Issuer") from the Company to the Issuer, pursuant to which the Company will convey to the Issuer its interest in the portion of the Project Facility constituting fixtures and other personal property, and (B) the Issuer will execute and deliver an installment sale agreement (the "Installment Sale Agreement") by and between the Issuer and the Company, and certain other documents related to the Project and to the Bonds; and

WHEREAS, pursuant to the terms of the Installment Sale Agreement, (A) the Company will agree (1) to cause the Project to be undertaken and completed, (2) as agent of the Issuer, to undertake and complete the Project, (3) to purchase the Issuer's interest in the Project Facility, and (4) to make certain installment purchase payments to or upon the order of the Issuer as the purchase price for the Issuer's interest in Project Facility and (B) the Issuer will agree to (1) undertake the Project, (2) appoint the Company as agent of the Issuer to undertake and complete the Project, and (3) sell the Issuer's interest in the Facility to the Company; and

WHEREAS, as security for the Bonds, the Company will enter into a letter of credit reimbursement agreement (the "Reimbursement Agreement") with Citibank, N.A. (the "Bank"), pursuant to which the Bank is to issue in favor of the Trustee (A) an irrevocable transferable direct-pay letter of credit as security for the Series 2004A Bonds, in a maximum amount (which shall decline at fixed intervals) equal to the aggregate of (1) the principal amount of the Series 2004A Bonds plus (2) 35 days' interest on the Series 2004A Bonds (computed at an assumed interest rate of 10%) (the "Series 2004A Letter of Credit"), and (B) an irrevocable transferable direct-pay letter of credit as security for the Series 2004B Bonds, in a maximum amount (which shall decline at fixed intervals) equal to the aggregate of (1) the principal amount of the Series 2004B Bonds Outstanding plus (2) 35 days' interest on the Series 2004B Bonds (computed at an assumed interest rate of 15%) (the "Series 2004B Letter of Credit" and, together with the Series 2004A Letter of Credit, the "Letters of Credit"); and

WHEREAS, pursuant to the Indenture, the proceeds of the sale of the Bonds will be deposited into various trust funds held by the Trustee under the Indenture and will be disbursed by the Trustee from time to time to pay the costs of the Project, but only upon satisfaction of the requirements for making such disbursements set forth in the Indenture, the Installment Sale Agreement described below, and the Reimbursement Agreement and, with respect to the portion of the loan evidenced by the Bonds constituting a building loan, a building loan agreement (the "Building Loan Contract") by and among the Issuer, the Company and the Bank; and

WHEREAS, the interest rate on the Bonds as initially issued will be determined weekly by George K. Baum & Company, acting as remarketing agent for the Bonds (the "Remarketing Agent") pursuant to the provisions of a remarketing agreement (the "Remarketing Agreement") between and among the Remarketing Agent, the Issuer, and the Company; and

WHEREAS, in order to hedge against interest rate risk with respect to Bonds issued in a variable interest rate mode, the Company may enter into one or more interest rate swap agreements or similar interest rate hedge agreements (the "Interest Rate Swap Agreement") with a bank or other financial institution; and

WHEREAS, as additional security for the Bonds and the Company's obligations under the Reimbursement Agreement, the Company and the Issuer will execute and deliver to the Bank a mortgage and security agreement (the "Mortgage ") which grants to the Bank a mortgage lien on and security interest in the Project Facility; and

WHEREAS, to secure the Bonds, the Issuer will execute and deliver to the Trustee a pledge and assignment (the "Pledge and Assignment") from the Issuer to the Trustee, which Pledge and Assignment will assign to the Trustee certain of the Issuer's rights under the Installment Sale Agreement pursuant to which installment purchase payments made by the Company under the Installment Sale Agreement are to be paid directly to the Trustee; and

WHEREAS, the Bonds will be purchased by George K. Baum & Company, as underwriter (the "Underwriter"), pursuant to a bond purchase agreement by and among the Underwriter, the Issuer and the Company (the "Bond Purchase Agreement"), and the

Underwriter will utilize a preliminary official statement and a final official statement (the "Official Statement") in connection with the resale of the Bonds; and

WHEREAS, to demonstrate compliance with the provisions of the Code relating to the issuance of tax-exempt obligations, (A) the Issuer will (1) execute an arbitrage certificate dated the date of delivery of the Bonds (the "Arbitrage Certificate") relating to certain requirements set forth in Section 148 of the Code, (2) execute a completed Internal Revenue Service ("IRS") Form 8038 (Information Return for Private Activity Bonds) relating to the Bonds (an "Information Return") pursuant to Section 149(e) of the Code, and (3) file the Information Return with the IRS, (B) the Company will execute a tax regulatory agreement dated the date of delivery of the Bonds (the "Tax Regulatory Agreement") relating to the requirements in Sections 145, 146, 147, 148, and 149 of the Code, and (C) the Underwriter will execute a letter (the "Issue Price Letter") confirming the issue price of the Bonds for purposes of Section 148 of the Code.

NOW, THEREFORE, BE IT RESOLVED BY THE ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Issuer hereby finds and determines that:

(a) By virtue of the Act, the Issuer has been vested with all the powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act;

(b) The Project constitutes a "project," as such term is defined in the Act;

(c) The acquisition, construction and installation of the Project Facility and the sale of the Issuer's interest in the Project Facility to the Company (i) will promote and maintain the job opportunities, health, general prosperity, and economic welfare of the citizens of Oneida County and the State of New York and improve their standard of living and (ii) will not result in the removal of an industrial or manufacturing plant of the Company from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the Company; and

(d) It is desirable and in the public interest for the Issuer to issue its Bonds in one or more series in an aggregate principal amount not to exceed \$12,000,000, as approved by an authorized officer of the Issuer identified in Section 6 hereof, as the Bonds may be amended, modified or consolidated from time to time upon the terms and conditions set forth in the Indenture for the purpose of financing the cost of the acquisition, construction and installation of the Project Facility together with necessary incidental expenses.

Section 2. In consequence of the foregoing, the Issuer hereby determines to:

(a) issue and deliver the Bonds pursuant to the Indenture;

- (b) sell the Bonds to the Underwriter pursuant to the Bond Purchase Agreement;
- (c) authorize the use of the Official Statement in connection with the sale of the Bonds by the Underwriter;
- (d) use the proceeds of the Bonds to acquire, construct and install the Project Facility and pay necessary incidental expenses;
- (e) sell the Issuer's interest in the Project Facility to the Company pursuant to the Installment Sale Agreement;
- (f) secure the Bonds by granting the Bank a mortgage lien on and a security interest in the Project Facility pursuant to the Mortgage;
- (g) secure the Bonds by assigning to the Trustee pursuant to the Pledge and Assignment certain of the Issuer's rights under the Installment Sale Agreement, including the right to collect and receive certain amounts payable thereunder;
- (h) provide for the disbursement of the proceeds of the Bonds pursuant to the Reimbursements Agreement, the Indenture and Building Loan Contract;
- (i) execute the Arbitrage Certificate and the Information Return with respect to the Bonds;
- (j) file the Information Return with the IRS;
- (k) execute and deliver Interest Rate Swap Agreements, interest rate hedge identification documents or related agreements;
- (l) execute and deliver all other agreements, certificates, and documents identified in (or contemplated by the certificates and documents identified in) the Closing Memorandum for the Bonds to be executed and delivered by the Issuer and all such other agreements, certificates and documents as may be requested by the Company or the Bank in connection with the issuance of the Bonds.

Section 3. The Issuer is hereby authorized to acquire an interest in the Project Facility pursuant to the Bill of Sale to Issuer and License to Issuer, and to do all things necessary and appropriate for the accomplishment thereof, and all acts heretofore taken by the Issuer with respect to such acquisitions are hereby approved, ratified and confirmed.

Section 4. The execution and delivery of the Installment Sale Agreement, the Indenture, the Bonds, the Bond Purchase Agreement, the Mortgage, the Building Loan Contract, the Pledge and Assignment, the Remarketing Agreement, the Official Statement, the Interest Rate Swap Agreement, the Arbitrage Certificate, the Information Return and all other agreements, certificates, and documents identified in (or contemplated by the certificates and

documents identified in) the Closing Memorandum for the Bonds and all such agreements, certificates and documents as may be requested by the Company or the Bank in connection with the issuance of the Bonds (collectively, the "Financing Documents") are hereby authorized subject to the approval of the officers of the Issuer identified in Section 6 hereof.

Section 5. The Issuer is hereby authorized to issue, execute, sell and deliver to the Trustee for authentication its Bonds, in one or more series as tax-exempt and/or taxable bonds in an aggregate principal amount not to exceed \$12,000,000 in the form and amount approved by an authorized officer of the Issuer identified in Section 6 hereof, and upon authentication thereof, the Trustee is hereby authorized to deliver the Bonds to the purchasers thereof against receipt of the purchase price, all pursuant to the Act and in accordance with the provisions of the Indenture and the Bond Purchase Agreement, provided that:

(a) The Bonds authorized to be issued, executed, sold, and delivered pursuant to this Section 5 shall bear interest at the rate or rates, be issued in such form and amount, be subject to redemption prior to maturity, and have such other terms and provisions and be issued in such manner and on such other conditions as are set forth in the Indenture approved by an authorized officer of the Issuer identified in Section 6 hereof.

(b) The Bonds shall be issued solely for the purpose of providing funds to finance (1) the cost of the Project, including debt service reserves, as described in the Financing Documents, and (2) a portion of the administrative, legal, financial, and other expenses of the Issuer in connection with the Project and incidental to the issuance of the Bonds.

(c) Neither the members, directors, officers, agents, employees, or representatives of the Issuer, nor any person executing the Bonds or any of the Financing Documents on behalf of the Issuer, shall be liable thereon or subject to any personal liability or accountability by reason of the execution, issuance, or delivery thereof. The Bonds and the interest thereon are not and shall never be a debt of the State of New York, or Oneida County, New York or any political subdivision thereof and neither the State of New York, or Oneida County, New York nor any political subdivision thereof (other than the Issuer) shall be liable thereon.

(d) The Bonds, together with interest payable thereon, shall be special obligations of the Issuer payable solely from certain of the revenues and receipts derived from the sale or other disposition of the Issuer's interest in the Project Facility or from the enforcement of the security provided by the Financing Documents and the other security pledged to the payment thereof.

(e) Notwithstanding any other provision of this bond resolution, the Issuer covenants that it will make no use of the proceeds of the Bonds or any other funds of the Issuer (other than the Issuer's administrative fee), which, if said use had been reasonably expected on the date of issuance of the Bonds, would have caused any of the Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Code.

Section 6.

(a) The Chairman and Vice Chairman of the Issuer (each, an "Authorized Representative" of the Issuer) are each hereby authorized, on behalf of the Issuer, to negotiate, approve, execute (by manual or facsimile signature), and deliver the Financing Documents and all other agreements, documents, certificates, and instruments identified in the Closing Memorandum for the Bonds, and the Secretary and Assistant Secretary of the Issuer are each hereby authorized to affix the seal (or a facsimile thereof) of the Issuer to them and to attest to all of them, with such terms, covenants, and provisions as the Chairman or Vice Chairman shall approve. The execution of the Financing Documents by the Chairman or Vice Chairman shall constitute conclusive evidence of that approval.

(b) The Chairman and Vice Chairman are each further hereby authorized, on behalf of the Issuer, to designate any additional Authorized Representative of the Issuer as defined in and pursuant to the Indenture.

Section 7. The officers, directors, members, employees, and agents of the Issuer are hereby authorized and directed for and in the name and on behalf of the Issuer to do all acts and things required or provided for by any of the provisions of the Financing Documents, and to execute and deliver all additional agreements, certificates, instruments, and documents identified in the Closing Memorandum for the Bonds, and to pay all fees, charges, and expenses and to do all other acts as may be necessary, or in the opinion of the officer, director, member, employee, or agent, desirable or proper to effectuate the purposes of the foregoing resolution and to cause compliance by the Issuer with all of the terms, covenants, and provisions of the Financing Documents binding upon the Issuer. None of the officers, members, directors, employees, representatives, or agents of the Issuer, however, shall have any personal liability under the Bonds or the Financing Documents.

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

Section 9. This resolution shall take effect immediately and subject to receipt by the Issuer of notice that the County Executive has approved the issuance of the Bands in accordance with Section 147(f) of the Code, the Bonds are hereby ordered to be issued in accordance with this resolution.

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

I, the undersigned, [Assistant] Secretary of the Oneida County Industrial Development Agency, DO HEREBY CERTIFY that I have compared the annexed extract of the minutes of the special meeting of the Oneida County Industrial Development Agency (the "Issuer") including the resolution contained therein, held on October ____, 2004 with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Issuer and of such resolution set forth therein and of the whole of said original insofar as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (i) all members of the Issuer had due notice of the meeting, (ii) said meeting was in all respects duly held, (iii) pursuant to Section 104 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with the Open Meetings Law, and (iv) there was a quorum of the members of the Issuer present throughout said meeting.

I FURTHER CERTIFY that as of the date hereof the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this _____ day of October, 2004.

[Assistant] Secretary

(SEAL)