Date: May 24, 2007

At a meeting of the Oneida County Industrial Development Agency (the "Issuer"), held at 153 Brooks Road, Rome, New York, on the 24th day of May, 2007, the following members of the Issuer were:

Present:	Ferris Betrus David Grow Michael Fitzgerald Michael Valentine
Absent:	Natalie Brown Robert Calli Richard Fahy
Also Present:	Shawna Papale (Executive Director/Secretary) Joseph Karam (staff) Rob Duchow (staff) Jim Castilla (staff) Frederick Arcuri, Esq. (staff) Martha Swan (staff) Jef Saunders, Esq. (GLDC Counsel) Linda E. Romano, Esq. (Bond, Schoeneck & King, PLLC - Bond Counsel/Transaction Counsel) Laura Ruberto (Bond, Schoeneck & King, PLLC) Kevin Martin, Esq. (Kernan & Kernan - Agency Counsel) Wendy Marsh (Village of Yorkville Counsel) Dan Guzewich (Rome Sentinel)

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

Aye	Nay
Ferris Betrus David Grow Michael Fitzgerald Michael Valentine	

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF THE ISSUER'S MULTI-MODE VARIABLE RATE CIVIC FACILITY REVENUE BONDS (EASTERN STAR HALL AND HOME PROJECT – LETTER OF CREDIT SECURED), SERIES 2007 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $5,000,000, AND THE EXECUTION OF RELATED DOCUMENTS.

WHEREAS, Trustees of Eastern Star Hall and Home of the State of New York, Inc., a New York not-for-profit corporation (the "Company") presented an application (the "Application") to the Oneida County Industrial Development Agency (the "Issuer") requesting that the Issuer consider undertaking a project ("Project") consisting of (A)(1) the acquisition by the Issuer of an interest in the Company's skilled nursing facility located at 8290 State Route 69 in the Village of Oriskany, Oneida County, New York (the "Existing Facility"), (2) the renovation and improvement of the Existing Facility and the construction of an addition to the Existing Facility (collectively with the Existing Facility, the "Facility"); and (3) the acquisition and installation in the Facility of certain furniture, machinery and equipment (the "Equipment") (the Facility and the Equipment being collectively referred to as the "Project Facility"); (B) the refinancing of certain outstanding indebtedness of the Company (the "Prior Loan"), the proceeds of which were used to finance renovations and additions to the Existing Facility; (C) the financing of all or a portion of the cost of the foregoing by issuance of revenue bonds of the Issuer; (D) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing, including potential exemptions from sales taxes, mortgage recording taxes, real estate transfer taxes (collectively, with the Bonds, the "Financial Assistance"); and (E) the lease (with an obligation to purchase) or 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 Village of Oriskany Planning Board, as "lead agency" in a coordinated SEQRA review, determined on April 2, 2007 that the Project will not have a significant adverse impact on the environment; and

WHEREAS, by resolution adopted by the members of the Issuer on February 13, 2007 (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 "Initial 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 on February 16, 2007 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 February 21, 2007 in The Observer-Dispatch, a newspaper of general circulation available to residents of the Town of New Hartford, (C) conducted the Public Hearing required under Section 147(f) of the Code and Section 859-a of the Act on March 23, 2007 at 9:00 o'clock a.m., local time at Oriskany Village Municipal Building, 2nd Floor, 708 Utica Street, Oriskany, New York, and (D) prepared a report of the Public Hearing which fairly summarizes the views presented at said Public Hearing and distributed same to the members of the Issuer and to the Oneida County Executive (the "County Executive"); and

WHEREAS, the Issuer now proposes to issue its Multi-Mode Variable Rate Civic Facility Revenue Bonds (Eastern Star Hall and Home Project – Letter of Credit Secured), Series 2007 (the "Bonds"), in an aggregate principal amount not to exceed $5,000,000 for the purpose of financing a portion of the costs of undertaking the Project; and

WHEREAS, prior to issuance of the Bonds, the County Executive must approve issuance of the Bonds for purposes of Section 147(f) of the Code; and

WHEREAS, the Bonds are to be issued under an indenture of trust dated as of June 1, 2007 (the "Indenture") by and between the Issuer and a bank or trust company selected by the Company and approved by an Authorized Representative of the Issuer to serve as trustee for the holders of the Bonds (the "Trustee"); and

WHEREAS, as security for the Bonds, the Company will enter into a reimbursement agreement dated as of June 1, 2007 (the "Reimbursement Agreement") with Citizens Bank, N.A., a national banking association organized and existing under the laws of the United States (the "Bank"), pursuant to which the Bank will issue in favor of the Trustee for the Bonds an irrevocable transferable direct-pay letter of credit as security for the Bonds, in a maximum amount (which shall decline at fixed intervals) equal to the aggregate of (1) the principal of the Bonds plus (2) 35 days' interest on the Bonds (computed at an assumed interest rate of 10%) (the "Letter of Credit"); and

WHEREAS, pursuant to the Indenture, the proceeds of the sale of the Bonds (the "Bond Proceeds") 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

WHEREAS, the interest rate on the Bonds will be determined at various intervals by Zions First National Bank, acting as remarketing agent for the Bonds (the "Remarketing Agent") pursuant to the provisions of a remarketing agreement dated as of June 1, 2007 (the "Remarketing Agreement") by and among the Remarketing Agent, the Issuer and the Company. As initially issued, the interest rate on the Bonds will be determined on a weekly basis; and

WHEREAS, simultaneously with the issuance of the Bonds, (A) the Company will execute and deliver a certain lease agreement dated as of June 1, 2007 (the "Lease to Issuer") by and between the Company and the Issuer, pursuant to which the Company will lease to the Issuer the Project Facility for the purpose of undertaking and completing the Project, and a bill of sale dated as of June 1, 2007 (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 dated as of June 1, 2007 (the "Installment Sale Agreement") by and between the Issuer and the Company; 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 the Project Facility, which installment purchase payments shall include amounts equal to the debt service payments due on the Bonds, and (B) the Issuer will agree to (1) undertake the Project, (2) appoint the Company as agent of the Issuer to undertake and complete the Project, and (3) sell its interest in the Project Facility to the Company; and

WHEREAS, to further secure the Bonds, the Issuer will execute and deliver to the Trustee a pledge and assignment dated as of June 1, 2007 (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; and

WHEREAS, the (A) Company's obligation (1) to make all installment purchase payments under the Installment Sale Agreement and (2) to perform all obligations related thereto and (B) Issuer's obligation to repay the Bonds will be further secured by a guaranty dated as of June 1, 2007 (the "Guaranty") from the Company to the Trustee; and

WHEREAS, pursuant to the provisions of a bond purchase agreement (the "Bond Purchase Agreement") by and among the Issuer, the Company and Zions Bank, as underwriter for the Bonds (the "Underwriter"), the Underwriter will sell the Bonds and the Underwriter will utilize an official statement (the "Official Statement ") in connection with the sale 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 Section 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; and

WHEREAS, the Bonds will be issued as "book-entry only" obligations to be held by The Depository Trust Company, as depository (the "Depository") for the Bonds and to comply with the requirements of the Depository, the Issuer has previously executed and delivered to the Depository a blanket letter of representations (the "Depository Letter"); and

WHEREAS, the Company may hedge its interest rate exposure on the Bonds by entering into an interest rate swap or similar transaction (the "Interest Rate Hedge") with a counterparty selected by the Company.

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 Facility constitutes a "project," as such term is defined in the Act;

(c) The acquisition, construction and installation of the Project Facility, the refinancing of the Prior Loan 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 any facilities of the Company from one area of the State to another area of the State or in the abandonment of one or more facilities of the Company; and

(d) The location of the site of the Project Facility is acceptable to the Issuer; and

(e) The Project Facility is not known by the Issuer to be in material violation of the local zoning laws and planning regulations of Oneida County and all regional and local land use plans for the area in which the Project Facility is located; and

(f) The Project Facility, and the operations of the Company, are not known by the Issuer to cause or result in the violation of the health, labor, environmental or other laws of the United States of America, the State of New York, or Oneida County; and

(g) It is desirable and in the public interest for the Issuer to issue the Bonds in an aggregate principal amount not to exceed $5,000,000 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, all for the purpose of financing the cost of the acquisition, construction and installation of the Project Facility and the refinancing of the Prior Loan, together with necessary incidental expenses; and

(h) Interest on the Bonds shall be excludable from gross income of the recipients thereof in accordance with Section 145 of the Code.

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

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

(b) sell the Bonds to the Underwriter pursuant to the Bond Purchase Agreement;

(c) use the proceeds of the Bonds to acquire, construct and install the Project Facility, refinance the Prior Loan and pay necessary incidental expenses, including but not limited to costs of issuing the Bonds;

(d) sell the Issuer's interest in the Project Facility to the Company pursuant to the Installment Sale Agreement;

(e) 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;

(f) provide for disbursement of the proceeds of the Bonds pursuant to the Reimbursement Agreement and the Indenture;

(g) execute the Arbitrage Certificate and the Information Return with respect to the Bonds;

(h) file the Information Return with the IRS;

(i) authorize the use of the Official Statement in connection with the sale of the Bonds;

(j) enter into such documents or agreements as may be necessary or appropriate in connection with the Interest Rate Hedge; and

(k) 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 in connection with the issuance of the Bonds.

Section 3. The Issuer is hereby authorized to acquire, construct and install the Project Facility, refinance the Prior Loan, pay all other costs of the Project, and provide the Financial Assistance to the Company, and to do all things necessary and appropriate for the accomplishment thereof, and all acts heretofore taken by the Issuer with respect thereto are hereby approved, ratified and confirmed.

Section 4. The form and substance of the Installment Sale Agreement, the Indenture, the Bonds, the Pledge and Assignment, the Reimbursement 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 approved, subject to the approval of the officers of the Issuer identified in Section 6 hereof. The form and substance of the Bond Purchase Agreement and Official Statement shall be approved by the officers of the Issuer identified in Section 6 hereof.

Section 5. Subject to receipt of notice from the Oneida County Executive that the County Executive has approved the issuance of the Bonds pursuant to, and solely for purposes of, Section 147(f) of the Code, the Issuer is hereby authorized to issue, execute, sell and deliver to the Trustee for authentication the Bonds in an aggregate principal amount not to exceed $5,000,000 in the form 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, shall be issued in such amount not to exceed $5,000,000, shall be subject to redemption prior to maturity, and shall 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 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 (other than the Company), 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.

Section 6.

(a) The Chairman and Vice Chairman 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, all in substantially the form and substance presented to this meeting with such changes, variations, omissions and insertions 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 the Bonds are hereby ordered to be issued in accordance with this resolution upon approval of the issuance of the Bonds by the Oneida County Executive in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended.

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

I, the undersigned, Secretary of the Oneida County Industrial Development Agency, DO HEREBY CERTIFY that I have compared the annexed extract of the minutes of the meeting of the Oneida County Industrial Development Agency (the "Issuer") including the resolution contained therein, held on May 24, 2007 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 Issuer this _____ day of _____, 2007.

Secretary

(SEAL)