

A meeting of the St. Lawrence County Industrial Development Agency was convened in public session on April 19, 2007 in Canton, New York.

The meeting was called to order by the Chairman and, upon the roll being duly called, the following members were:

<u>MEMBER</u>	<u>PRESENT</u>	<u>ABSENT</u>
Walter Basmajian	X	
Lynn Blevins	X	
Jon. R. Greenwood	X	
Ernest LaBaff	X	
Frederick S. Morrill	X	
Brian W. Staples	X	
R. Joseph Weekes, Jr.	X	

The following persons were ALSO PRESENT: Raymond Fountain, CEO; Patrick Kelly, Interim CFO; Natalie Haggart, Administrative Assistant; Brian Norton, Economic Developer; Edmund J. Russell, III, Esq.

The following resolution was offered by Mr. LaBaff and seconded by Mr. Weekes:

TAKING OFFICIAL ACTION TOWARD THE ISSUANCE OF CIVIC FACILITY REVENUE BONDS IN AN AMOUNT SUFFICIENT TO FINANCE THE COST OF ACQUIRING, RENOVATING, CONSTRUCTING AND EQUIPPING OF A CERTAIN PROJECT FOR POTSDAM AUXILIARY AND COLLEGE EDUCATIONAL SERVICES, INC., AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT BETWEEN THE ISSUER AND POTSDAM AUXILIARY AND COLLEGE EDUCATIONAL SERVICES, INC. WITH RESPECT TO SUCH FINANCING.

Resolution No. 07-04-16

WHEREAS, the St. Lawrence County Industrial Development Agency (the "Issuer") is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "State") as amended, and Chapter 358 of the Laws of 1971 of the State, as amended (collectively, the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research, civic, and recreation facilities, including industrial pollution control facilities, railroad facilities and certain horse racing facilities, for the purpose of promoting, attracting, encouraging and developing recreation and economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Issuer is authorized and empowered under the Act to issue its special obligation revenue bonds to finance the cost of the acquisition, renovation, construction and equipping of one or more Projects (as defined in the Act) and otherwise assist such Projects pursuant to the Act; and

WHEREAS, Potsdam Auxiliary and College Educational Services, Inc. (the "Company") has presented an application (the "Application") to the Issuer, a copy of which was presented at this meeting and copies of which are on file at the office of the Issuer, requesting that the Issuer consider undertaking: (i) the financing of all or a portion of the cost of the project described below (the "Project") by issuance of its civic facility revenue bonds in one or more issues or series in an aggregate principal amount, presently estimated to be approximately \$2,500,000 (the "Bonds"); (ii) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the General Municipal law) with respect to the Project, including potential exemptions from real estate transfer taxes and mortgage recording taxes (collectively with the Bonds, the "Financial Assistance"); and (iii) to lease (with an obligation to purchase) or sell the Project Facility (defined below) to the Company or such other person as may be designated by the Company and agreed upon by the Issuer; and

WHEREAS, the Project consists of the following: (A)(1) the acquisition of an interest in certain real property located on the campus of the State University of New York College at Potsdam in the Town of Potsdam, New York (the "Land"), (2) the renovation and reconstruction of Carson Hall (the "Facility"), (3) construction on the Land of an approximately 3,600 square foot addition to the Facility (the "Addition"), and (4) the acquisition and installation in the Facility and the Addition of certain furniture and equipment (the "Equipment") (the Facility, the Addition, and the Equipment being collectively referred to as the "Project Facility"); (B) the payment of a portion of the costs incidental to the financing thereof, including the funding of debt service reserves; and (C) 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, the Issuer has given due consideration to the Application and to representations by the Company that issuance of the Bonds (i) will be an inducement to the Company to locate its facilities in St. Lawrence County (the "County"), and (ii) will not result in the removal of an industrial or manufacturing plant of the Company or any proposed occupant of the Project Facility 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 or any proposed occupant of the Project Facility within the State; and

WHEREAS, the resolution authorizing the issuance of the Bonds has not yet been drafted for approval by the Issuer; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State (collectively, the "SEQR Act"), the Issuer has made an initial determination as to the

potential environmental significance of the acquisition, renovation, construction and equipping of the Project Facility; and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds will not be excludable from gross income for federal income tax purposes unless the issuance of the Bonds is approved by the "applicable elected representative" of the County after a public hearing on the Project Facility and the issuance of the Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. Based upon the representations made by the Company to the Issuer, the Issuer hereby makes the following findings and determinations:

(a) The Project Facility constitutes a "Project" within the meaning of the Act;

(b) The financing by the Issuer of the acquisition, renovation, construction and equipping of the Project Facility, through the issuance of the Bonds pursuant to the Act, will promote the job opportunities, general prosperity and economic welfare of the inhabitants of the County and improve their standard of living, and thereby serve the purposes of the Act;

(c) Issuance of the Bonds will not result in the removal of an industrial or manufacturing plant of the Company or any proposed occupant of the Project Facility 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 or any proposed occupant of the Project Facility; and

(d) It is desirable and in the public interest for the Issuer to issue its Bonds in a principal amount sufficient to pay the cost of acquiring, renovating, constructing and equipping of the Project Facility, together with certain related costs and amounts, presently estimated to aggregate approximately \$2,500,000.

Section 2. A copy of this Resolution, together with the attachments hereto, shall be placed on file in the office of the Issuer where the same shall be available for public inspection during business hours.

Section 3. Subject to the conditions set forth in Section 4.02 of the Agreement hereinafter referred to, the Issuer will (i) issue the Bonds in such principal amount and with such maturities, interest rate or rates, redemption terms and other terms and provisions to be determined by a further resolution of the Issuer, (ii) acquire, renovate, construct and equip the Project Facility, (iii) lease (with the obligation to purchase) or sell the Issuer's interest in the Project Facility to the Company pursuant to an agreement to be entered into between the Issuer

and the Company whereby the Company will be obligated, among other things, to make payments to the Issuer in amounts and at times so that such payments will be adequate to pay the principal of, premium, if any, and interest on the Bonds, and (iv) secure the Bonds in such manner as the Issuer, the Company and the purchaser(s) of the Bonds mutually deem appropriate. If the proceeds from the sale of the Bonds are insufficient to finance the entire cost of acquiring, renovating, constructing and equipping the Project Facility, the Issuer will, upon request of the Company and subject to Section 4.02 of the Agreement, use its best efforts to effect the issuance from time to time in the future of additional bonds, whether on a parity with the Bonds or otherwise, for the purpose of paying the cost of acquiring, renovating, constructing and equipping the Project Facility.

Section 4. The Company may proceed with the acquisition, renovation, construction and equipping of the Project Facility and advance such funds as may be necessary to accomplish such purposes and, to the extent permitted by law, the Issuer agrees to reimburse the Company therefor from the proceeds of the Bonds.

Section 5. The form and substance of a proposed agreement (in substantially the form presented to this meeting and attached hereto as Exhibit A) between the Issuer and the Company setting forth the undertakings of the Issuer and the Company with respect to the issuance of the Bonds and the providing of the Project Facility (the "Agreement") are hereby approved. The Chairman, Vice Chairman or Chief Executive Officer of the Issuer are hereby authorized, on behalf of the Issuer, to execute and deliver the Agreement in substantially the form thereof presented to this meeting, with such changes in terms and form as the Chairman, Vice Chairman or Chief Executive Officer shall approve. The execution thereof by the Chairman, Vice Chairman or Chief Executive Officer shall constitute conclusive evidence of such approval.

Section 6. The Issuer hereby approves the date and location for the public hearing to be held by the Issuer to hear all persons interested in the issuance of the Bonds, the nature of the Project Facility, the Company and any other proposed user of the Project Facility, and the proposed Financial Assistance to the Company. The Chairman, Vice Chairman or Chief Executive Officer of the Issuer are hereby authorized (i) to cause a transcript of the hearing to be ordered or a report of the hearing fairly summarizing the views expressed to be prepared and a copy of such transcripts or reports to be made available to the members of the Issuer and to the County Board of Legislators, and (ii) to request the County Board of Legislators to approve the issuance of the Bonds.

Section 7. Each of the officers and members of the Issuer is hereby designated and authorized to preside over and conduct, on behalf of the Issuer, the public hearing referred to in Section 6 of this resolution.

Section 8. Counsel to the Issuer is hereby authorized to work with the Company, the purchaser(s) of the Bonds and others to prepare, for submission to the Issuer, all documents necessary to effect the authorization, issuance, sale and delivery of the Bonds.

Section 9. The Issuer hereby declares that this resolution shall represent its declaration of "official intention" in accordance with final Treasury Regulation Section 1.150-2. The Issuer reasonably expects to reimburse the Company for its expenditures incurred in connection with the Project Facility with the proceeds of the Bonds.

Section 10. A copy of this resolution shall be available for public inspection at the customary location of records of the Issuer that are available to the general public.

Section 11. The Chairman, Vice Chairman or Chief Executive Officer of the Issuer are hereby authorized and directed to distribute copies of this resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 12. This resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was duly put to vote on roll call, which resulted as follows:

<b><u>MEMBER</u></b>	<b><u>AYE</u></b>	<b><u>NAY</u></b>	<b><u>ABSTAIN</u></b>	<b><u>ABSENT</u></b>
Walter Basmajian	X			
Lynn Blevins	X			
Jon R. Greenwood	X			
Ernest LaBaff	X			
Frederick S. Morrill	X			
Brian W. Staples	X			
R. Joseph Weekes, Jr.	X			

The resolution was thereupon declared duly adopted.

STATE OF NEW YORK                    )  
                                                  ) ss.:  
COUNTY OF ST. LAWRENCE        )

I, the undersigned Secretary of the St. Lawrence County Industrial Development Agency, DO HEREBY CERTIFY that (i) I have compared the annexed extract of the minutes of the meeting of the St. Lawrence County Industrial Development Agency (the "Issuer") held on April 19, 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 the whole of such original insofar as the same relates to the subject matters referred to therein, and (ii) the Agreement attached hereto as Exhibit A is in substantially the form presented to and approved at such meeting.

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Issuer this 19th day of April, 2007.

---

(Mr.) Lynn Blevins, Secretary

(SEAL)