

**INDUCEMENT RESOLUTION**  
(Edward John Noble Hospital of Gouverneur, New York)

A regular meeting of the St. Lawrence County Industrial Development Agency (“Issuer”) was convened in public session on December 5, 2006 at Phoebe’s Restaurant, 5994 U.S. Highway 11, Canton, New York.

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

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

Also present: Raymond H. Fountain, CEO; Edwin Short, CFO; Patrick J. Kelly, Deputy Director; Rich Williams, Facilities Manager; Brian Norton, Economic Developer; Natalie Haggart, Administrative Assistant; William R. Small, Esq., Issuer Counsel; and Edmund J. Russell, III, Esq., Bond Counsel.

A motion was duly made and seconded. The following Resolution was placed before the members of the Issuer.

RESOLUTION OF THE ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE “ISSUER”) (1) TAKING OFFICIAL ACTION TOWARDS THE ISSUANCE OF UP TO \$12,000,000 PRINCIPAL AMOUNT CIVIC FACILITY REVENUE BONDS (EDWARD JOHN NOBLE HOSPITAL OF GOUVERNEUR, NEW YORK PROJECT), SERIES 2006 FOR THE PURPOSE OF FINANCING THE COSTS OF A CERTAIN PROJECT (AS MORE FULLY DESCRIBED BELOW) FOR THE BENEFIT OF THE EDWARD JOHN NOBLE HOSPITAL OF GOUVERNEUR, NEW YORK (THE “HOSPITAL”); (2) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE ISSUER WITH RESPECT TO SUCH PROJECT; (4) APPOINTING THE HOSPITAL AS AGENT OF THE ISSUER FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING, RENOVATING AND EQUIPPING THE PROJECT; AND (5) AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT.

RESOLUTION NO. 06-12-22

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 358 of the Laws of 1971 of the State of New York, (hereinafter collectively called the "Act"), the Issuer was created with the authority and power to issue its special revenue bonds for the purpose of, among other things, acquiring, constructing, reconstructing and equipping, manufacturing, warehousing, civic, research, commercial, or industrial facilities as authorized by the Act; and

WHEREAS, Edward John Noble Hospital of Gouverneur, New York (the "Hospital"), a New York not-for-profit corporation having offices at 77 West Barney Street, Gouverneur, New York 13642 has requested the issuance of civic facility revenue bonds in one or more issues or series in a maximum aggregate amount presently estimated at \$10,000,000, but not to exceed \$12,000,000 (the "Bonds") for the purpose of financing a certain project (the "Project") consisting of (A) (i) the acquisition of real property at 119 West Barney Street in the Village of Gouverneur, St. Lawrence County, New York, which contains an existing residential dwelling, at least 1.1 acres of which will be used for the project (the "New Parcel"); (ii) the construction of an approximately 34,000 square-foot two-story addition (the "Addition") to an existing 67,000 square-foot four-story hospital building (the "Existing Building") which the first floor of the Addition shall contain 30 new medical/surgical beds and 3 intensive care unit beds, nurses station, soiled and clean utility room, medicine room, general storage and break rooms, resulting in the consolidation of the medical/surgical unit to one floor, relocation of the primary waiting and admission areas, totaling approximately 16,884 square feet, and the ground floor of the Addition shall contain a secondary waiting and reception areas, an enlarged pharmacy, physician offices and physical therapy, totaling approximately 16,884 square feet; (iii) the renovation of the vacated portions of the first and second floors of the Existing Building by converting space on the first floor to offices for human resources, social services, utilization review/discharge planning, laboratory manager, credit and collections and business offices, laboratories, nuclear medicine, and waiting area, totaling approximately 6,780 square feet and on the second floor to treatment and procedure rooms, pre and post operative areas, nursing stations, discharge area, staff on-call rooms, conference rooms and bathrooms, totaling approximately 4,890 square feet, (iv) the reconfiguration of the existing parking lot to provide for relocation of main hospital entry and admissions, additional parking spaces, and improved truck access and turning radius (the "Improvements"), in total increasing the existing 6.3 acre site currently owned by the Hospital located on 77 West Barney Street in the Village of Gouverneur, St. Lawrence County, New York (the "Original Parcel") to 7.4 acres with the addition of the New Parcel (collectively, the "Land"); (B) the acquisition and installation in and around the Addition, the Existing Building and the Improvements of certain machinery, equipment and other items of tangible personal property (the "Equipment" and collectively with the Land, the Existing Building, the Addition and the Improvements, the "Facility"); (C) paying certain costs and expenses incidental to the issuance of the Bonds' (D) the funding of a debt service reserve fund to secure the Bonds (the costs associated with items (A) through (D) above being hereinafter collectively referred to as the "Project Costs"); and (E) the lease (with an obligation to purchase) or sale of the Facility financed with the Bonds to the Hospital or such other person as may be designated by the Hospital and agreed upon by the Issuer; and

WHEREAS, the Issuer is contemplating providing financial assistance to the Hospital with respect to the Project (collectively, the "Financial Assistance") in the form of: (1) the

issuance of the Bonds in an amount not to exceed the lesser of the Project Costs or \$12,000,000, and (2) exemptions from mortgage recording taxes in connection with the financing or subsequent refinancing of the Facility consistent with the policies of the Issuer; and

WHEREAS, pursuant to General Municipal Law Section 859-a and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), following the publication of a Notice of Public Hearing in the *Tribune Press* on August 24, 2006, in *The Journal* on August 24, 2006, and in the *Advance News* on September 3, 2006, and the mailing of such Notice of Public Hearing by such date to the affected tax jurisdictions, the Issuer held a public hearing on September 27, 2006, at the Edward John Noble Hospital of Gouverneur, New York, 77 West Barney Street, Gouverneur, New York, with respect to the Project and the proposed financial assistance being contemplated by the Issuer (the "Public Hearing"), whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views

WHEREAS, the Hospital reasonably expects that it will (1) pay or incur certain capital expenditures in connection with the Project prior to the issuance of the Bonds, (2) use funds from sources other than proceeds of the Bonds which are or will be available on a short-term basis to pay for preliminary expenditures, and the acquisition, construction, renovation and equipping of the Project, and (3) reimburse itself for the use of such funds with proceeds of the Bonds; and

WHEREAS, prior to the issuance of the Bonds, the Hospital has incurred and paid, or will incur and pay, certain preliminary expenditures for architectural, engineering, legal and other services and may also incur actual hard construction or acquisition costs in connection with the Project, all of which have been or will be paid out of funds of the Hospital which expenditures are reasonably expected to be reimbursed out of the proceeds of the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ISSUER AS FOLLOWS:

Section 1. Based upon the representations made by the Hospital to the Issuer in the Hospital's application the Issuer hereby finds and determines that:

(A) By virtue of the Act, the Issuer has been vested with all 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; and

(B) It is desirable and in the public interest for the Issuer to (i) acquire title to or a leasehold interest in the Facility, (ii) sell or lease the Issuer's interest in the Facility to the Hospital pursuant to a sale agreement or lease agreement to be negotiated, and (iii) issue the Bonds to finance the Project Costs; and

(C) The Issuer has the authority to take the actions contemplated herein under the Act; and

(D) The action to be taken by the Issuer will induce the Hospital to undertake the Project, thereby increasing employment opportunities in St. Lawrence County, New York, and otherwise furthering the purposes of the Issuer as set forth in the Act; and

(E) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Hospital or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Hospital or any other proposed occupant of the Project located within the State.

Section 2. This resolution recognizes that the Issuer held a public hearing on September 27, 2006, as required by the Code and by Article 18-A of the New York State General Municipal Law.

Section 4. The form and substance of a proposed inducement agreement (in substantially the form presented to this meeting and attached hereto as Exhibit A) by and among the Issuer and the Hospital setting forth the undertakings of the Issuer and the Hospital with respect to the issuance of the Bonds and the development of the Facility (the "Agreement") are hereby approved. The Chairman of the Issuer is hereby authorized, on behalf of the Issuer, to execute and deliver the Agreement, with such changes in terms and form as the Chairman shall approve. The execution thereof by the Chairman shall constitute conclusive evidence of such approval.

Section 5. The granting of the Financial Assistance, as contemplated by Paragraph 2 of this Resolution, shall be subject to:

- (A) the Hospital entering into the Agreement; and
- (B) approval by the St. Lawrence County Board of Legislators of the issuance of the Bonds in accordance with the provisions of Section 147(f) of the Code; and
- (C) the Project conforming with Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (said law and regulations collectively referred to as "SEQR"); and
- (D) a resolution by the Issuer regarding SEQR determination; and
- (E) agreement by the Issuer, the Hospital and the purchaser of the Bonds on mutually acceptable terms for the Bonds and for the sale and delivery thereof and mutually acceptable terms and conditions for the security for the payment thereof.

Section 6. The Hospital is herewith and hereby appointed the agent of Issuer to acquire, construct, renovate and equip the Facility

Section 7. The Hospital is hereby authorized to undertake the financing of the Facility with the Bonds.

Section 8. To the extent Hospital has paid or incurred or will pay or incur preliminary expenditures or hard costs in connection with the Facility with current funds, it reasonably expects to reimburse itself with proceeds from the Bonds.

Section 10. With respect to the issuance of the Bonds, the law firm of Underberg & Kessler LLP of Rochester, New York, is hereby appointed Bond Counsel to the Issuer.

Section 11. Counsel to the Issuer and Bond Counsel are hereby authorized to work with counsel to the Hospital and others to prepare for submission to the Issuer, all documents necessary to effect the authorization, issuance and sale of the Bonds, and reimbursement of the cost of all such work prior to the date hereof is hereby authorized to the extent permitted by the Code.

Section 12. This Resolution shall constitute the adoption of "official intent" (within the meaning of the United States Treasury Regulations Section 1.150-2(d)) with respect to issuance of the Bonds and the original expenditures which are reasonably expected to be reimbursed from the proceeds of the Bonds.

Section 13. The Chairman (or Vice Chairman) or Secretary of the Issuer is hereby authorized and directed to distribute copies of this Resolution to the Hospital and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 14. 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:

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

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned Secretary of the St. Lawrence County Industrial Development Agency,  
DO HEREBY CERTIFY:

That I have compared the annexed extract of minutes of the meeting of the St. Lawrence County Industrial Development Agency (the "Issuer"), including the resolution contained therein, held on December 5, 2006, 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 related to the subject matters therein referred to.

I FURTHER CERTIFY, that all members of said Issuer had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with such Article 7.

I FURTHER CERTIFY, that 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 modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Issuer this 5<sup>th</sup> day of December, 2006.

\_\_\_\_\_  
Lynn Blevins, Secretary

[SEAL]

EXHIBIT A

Form of Inducement Resolution