

**BOND RESOLUTION**  
(Edward Noble Hospital of Gouverneur, New York Project)

A regular meeting of the St. Lawrence County Industrial Development Agency (“Issuer”) was convened in public session on November 29, 2007 at McCarthy’s Restaurant, 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><b>MEMBER</b></u>	<u><b>PRESENT</b></u>	<u><b>ABSENT</b></u>
Lynn Blevins	X	
Jon R. Greenwood	X	
Ernest LaBaff	X	
Andrew McMahan	X	
Frederick S. Morrill	X	
Brian W. Staples	X	
R. Joseph Weekes, Jr.	X	

Also present: Raymond H. Fountain, CEO; Kimberly Gilbert, CFO; Patrick J. Kelly, Deputy Director; Rich Williams, Facilities Manager; Brian Norton, Economic Developer; Natalie Haggart, Administrative Assistant; William R. Small, Esq., Issuer Counsel; Jason Clark, Massena BDC..

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

Resolution No. 07-11-39

**DETERMINING COMPLIANCE WITH THE STATE ENVIRONMENTAL QUALITY REVIEW ACT AND AUTHORIZING THE ISSUANCE, EXECUTION, SALE AND DELIVERY OF THE ISSUER'S CIVIC FACILITY REVENUE BONDS, SERIES 2007 (EDWARD NOBLE HOSPITAL OF GOUVERNEUR, NEW YORK PROJECT), IN THE AGGREGATE PRINCIPAL AMOUNT OF UP TO \$12,000,000 AND THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS**

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 St. Lawrence County Industrial Development Agency (hereinafter called 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 Noble Hospital of Gouverneur, New York (the "Hospital") previously presented an application (the "Application") to the Issuer, a copy of which is on file at the office of the Issuer, requesting that the Issuer consider undertaking a 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 5.5 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") adjacent to the two-story Physician Office 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, physical therapy and respiratory 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, laboratory, and radiology waiting area, totaling approximately 6,780 square feet and on the second floor to ambulatory surgery 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 approximately twelve acres with the addition of the New Parcel (collectively, the "Land"); (B) the refinancing of existing taxable indebtedness of the Hospital, the proceeds of which were used to pay the costs of various renovations and capital purchases at the Hospital's Existing Building including (i) renovations to the emergency department, to the obstetrics and gynecology department and a portion of the radiology department and (ii) the acquisition and installation in and around the Hospital of certain items of machinery, equipment and other tangible personal property (the "Refinanced Equipment"); (C) the acquisition and installation in and around the Addition, the Existing Building, the Refinanced Equipment 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, the Refinanced Equipment and the Improvements, the "Facility"); (D) paying certain costs and expenses incidental to the issuance of the Bonds (as hereinafter defined); (E) funding a debt service reserve fund; (F) the funding of a capitalized interest account (the costs associated with items (A) through (F) above being hereinafter collectively referred to as the "Cost of the Facility" or "Costs of the Facility"); and (G) 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, by inducement resolution duly adopted on December 5, 2006, decided to proceed under the provisions of the Act to issue its civic facility revenue bonds in the aggregate principal amount not exceeding \$12,000,000 (the "Bond") for the purpose of assisting in financing the cost of undertaking the Project; and

WHEREAS, the Issuer now desires to determine whether the issuance of the Bonds, the undertaking of the Project and the providing of contemplated financial assistance with respect to the same will be in conformance 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 hereinafter collectively referred to as "SEQR"); and

WHEREAS, to aid the Issuer in making a determination whether the acquisition, construction, renovation and equipping of the Facility and the providing of the contemplated Financial Assistance will be in conformance with SEQR, the Hospital has submitted to the Issuer a completed Full Environmental Assessment Form dated October 24, 2007, (the "EAF") with respect to the Project.

WHEREAS, in accordance with Section 859-a of the General Municipal Law, a public hearing was held by the Issuer with respect to the Project on September 27, 2006, notices of which were published 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

WHEREAS, in accordance with Section 147 of the Internal Revenue Code of 1986, as amended (the "Code") a public hearing was held by the Issuer with respect to the Project on November 13, 2007, notices of which were published in *Gouverneur-Tribune Press* on October 25, 2007, *Watertown Daily Times* on October 22, 2007 and *Advance News* on October 21, 2007; and

WHEREAS, the Issuer proposes to place the Bonds with PineRidge Capital, LLC, as Placement Agent (the "Placement Agent"); and

WHEREAS, U.S. Bank National Association has agreed to act as trustee (the "Trustee") for the holders from time to time of the Bonds; and

WHEREAS, in order to consummate the aforesaid financing, the Issuer has been requested to (1) enter into (a) an indenture of trust (the "Indenture") by and between the Issuer and Trustee, (b) an installment sale agreement (the "Installment Sale Agreement") by and between the Issuer and Hospital, (c) a pledge and assignment (the "Assignment") from the Issuer to the Trustee, (d) a mortgage and security agreement (the "Mortgage and Security Agreement") from the Issuer and the Hospital to the Trustee, (e) a bond placement agreement to be dated the date of execution thereof (the "Bond Placement Agreement") from the Placement Agent to the Issuer and the Hospital, and (f) a private placement memorandum relating to the Bonds (the "Private Placement Memorandum"), and (2) authorize the use of the Private Placement Memorandum in connection with the placement of the Bonds;

NOW, THEREFORE, BE IT RESOLVED by the St. Lawrence County Industrial Development Agency as follows:

Section 1. The Issuer hereby finds and determines:

(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) The Facility constitutes a “civic facility” and a “project,” as such term is defined in the Act; and

(c) The Project will promote and maintain permanent private sector jobs, health, general prosperity and economic welfare of the citizens of the State of New York and improve their standard of living and will increase the overall number of permanent private sector jobs in the State and thereby serve the public purposes of the Act; and

(d) The Project and the operations conducted therein will not cause or result in the violation of the health, labor or other laws of the United States of America, the State of New York, or St. Lawrence County, New York; and

(e) It is desirable and in the public interest for the Issuer to issue and place its Bonds to be dated the date of its issuance and sale, upon the terms and conditions set forth in the Indenture and to secure the Bonds by the execution and delivery to the Trustee of the Mortgage and Security Agreement and the Assignment, all for the purpose of assisting in financing the Project; and

(f) The public hearings held by the Issuer concerning the issuance of the Bond and the nature of the Project was duly held in accordance with the requirements of the Code and the laws of the State of New York, including but not limited to the giving of public notice of the hearing a reasonable time before the hearing and affording a reasonable opportunity for persons with differing views on both the issuance of the Bond and the nature of the Project to be heard.

(g) Under Section 145 of the Code, the interest on the Bonds is exempt from federal income taxes, subject to limitations and requirements of such Code;

(h) All documents to be executed by the Issuer are reasonably necessary to provide the security described herein for the Bond.

Section 2. Based upon a review of the Application and the EAF submitted to the Issuer, the Issuer determines that the action relating to the financing, acquisition, construction, renovation, equipping and operation of the Facility is an “unlisted” action, as that term is defined in SEQR. The Issuer also determines that the action will not have a “significant effect” on the environment and, therefore, an environmental impact statement will not be prepared. This determination constitutes a negative declaration for purposes of the SEQR. Notice of this determination shall be filed to the extent required by the applicable regulations under that Act or as may be deemed advisable by the Chairman or Chief Executive Officer of the Issuer or counsel to the Issuer.

Section 3. In consequence of the foregoing, the Issuer hereby determines to:

(a) issue the Bonds pursuant to the terms and conditions set forth in the Bond Placement Agreement and the Indenture;

(b) place the Bonds with the Placement Agent pursuant to the Bond Placement Agreement and deliver the Private Placement Memorandum to the Placement Agent for use in connection with the placement of the Bonds,

(c) use the proceeds of the Bonds to reimburse the Hospital for the acquisition of the Facility and refurbish, install and equip the Facility and pay necessary incidental expenses,

(d) sell the Issuer's interest in the Facility on an installment basis to the Hospital pursuant to the Installment Sale Agreement,

(e) secure the Bonds and the Hospital's obligations under the Installment Sale Agreement by assigning to the Trustee certain of the Issuer's rights and remedies under the Installment Sale Agreement, pursuant to the Assignment, and granting a mortgage lien on and security interest in the Facility to the Trustee pursuant to the Mortgage and Security Agreement,

(f) execute a certain Tax Compliance Agreement, dated as of the date of issuance and delivery of the Bonds (the "Tax Compliance Agreement"), pursuant to which the Issuer and the Hospital make certain covenants to ensure the continued tax-exempt status of the Bond,

(g) execute an Internal Revenue Service Form 8038 (the "Information Return") in connection with the issuance of the Bond,

(h) appoint the Hospital as agent to the Issuer for purposes of undertaking the Project, and

(i) execute and deliver all other agreements, certificates and documents necessary to effectuate the issuance of the Bonds.

Section 4. The Issuer is hereby authorized to acquire an interest in the real and personal property located at the Facility and to convey the same to Hospital pursuant to the terms of the Installment Sale Agreement, and to do all things necessary or appropriate for the accomplishment thereof.

Section 5. The form and substance of the Bonds, the Indenture, the Installment Sale Agreement, the Mortgage and Security Agreement, the Assignment, the Tax Compliance Agreement, the Information Return, the Bond Placement Agreement, Private Placement Memorandum and all other agreements, certificates or documents to be delivered or executed by the Issuer (collectively referred to hereinafter as the "Bond Documents") are hereby approved, and the Secretary is hereby directed to include a copy of the form of the Bonds submitted to this meeting with the records of the Issuer.

Section 6. The Issuer is hereby authorized to issue, execute, place and deliver to the Placement Agent the Bonds in the aggregate principal amount not to exceed \$12,000,000 in the

form heretofore approved in Section 5 of this resolution, pursuant to the Act and in accordance with the Indenture; provided that:

(a) The Bonds authorized to be issued, executed, placed and delivered pursuant to this Section (i) shall be issued, executed and delivered at such time as the Chairman (Vice Chairman) or Chief Executive Officer of the Issuer shall determine, (ii) shall bear interest at such rates, be issued in such amount, be subject to redemption prior to maturity, and have such other provisions and be issued in such manner and on such conditions as are approved by the Chairman (Vice Chairman) or Chief Executive Officer of the Issuer, and (iii) shall have such other provisions and be issued in such manner and on such conditions as are set forth in the Bonds and the Indenture, all of which provisions are specifically incorporated herein with the same force and effect as if fully set forth in this resolution.

(b) The Bonds shall be issued solely for the purpose of providing funds to finance the Facility.

(c) The Bonds and the interest thereon are not and shall never be a debt of the State of New York or St. Lawrence County, New York, and neither the State of New York nor St. Lawrence County, New York shall be liable thereon.

(d) The Bonds, together with interest payable thereon, shall be special and limited obligations of the Issuer payable solely from the revenues and receipts derived from the installment sale of the Facility or from the enforcement of the security provided by the Bond Documents.

#### Section 7.

(a) The Chairman (Vice Chairman) or Chief Executive Officer of the Issuer is hereby authorized, on behalf of the Issuer, to negotiate, approve, execute and deliver the Bond Documents, and, where appropriate, the Secretary or Assistant Secretary of the Issuer is hereby authorized (but not required) to affix the seal of the Issuer thereto and to attest the same, all in substantially the forms thereof presented to this meeting or at any time hereafter with such changes, variations, omissions and insertions as the Chairman (Vice Chairman) or Chief Executive Officer shall, in their absolute discretion, approve. The execution thereof by the Chairman (Vice Chairman) or Chief Executive Officer shall constitute conclusive evidence of such approval. All preliminary actions of the Issuer prior to the date hereof with respect to the Facility are hereby confirmed and ratified.

(b) The Chairman (Vice Chairman) or Chief Executive Officer of the Issuer are hereby further authorized and directed, on behalf of the Issuer, to designate any additional Authorized Representative of the Issuer in and pursuant to the Indenture.

Section 8. The members, officers, 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 the provisions of the Bond Documents, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses

and to do all such further acts and things as may be necessary, or in the opinion of the member, officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Issuer with all of the terms, covenants and provisions of the Bond Documents binding upon the Issuer. None of the members, officers, employees and agents of the Issuer, however, shall have any personal liability under the Bond Documents.

Section 9. U.S. Bank National Association, is hereby appointed by the Issuer to act as trustee under the Indenture.

Section 10. It is hereby found and determined that all formal actions of the Issuer concerning and relating to the adoption of this resolution were adopted in an open meeting of the Issuer; and that all deliberations of the Issuer and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements. 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 normal business hours.

Section 11. This resolution shall take effect immediately and the Bonds are hereby ordered to be issued in accordance with this resolution.

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>
Lynn Blevins	X			
Jon R. Greenwood	X			
Ernest LaBaff	X			
Andrew McMahan	X			
Frederick S. Morrill	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 November 29, 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 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 29th day of November, 2007.

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(Mr.) Lynn Blevins, Secretary

[SEAL]