

BOND RESOLUTION

(Edward John Noble Hospital of Gouverneur, New York Civic Facility)

A regular meeting of the St. Lawrence County Industrial Development Agency Civic Development Corporation ("Issuer") was convened in public session on July 21, 2010 at The Best Western, 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>
Lynn Blevins	X	
Mark C. Hall	X	
Ernest LaBaff	X	
Andrew J. McMahon	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; Natalie Sweatland, Administrative Assistant; and William R. Small, Esq., Issuer Counsel.

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

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 2010 (EDWARD JOHN NOBLE HOSPITAL OF GOVERNEUR, NEW YORK CIVIC FACILITY), IN THE AGGREGATE PRINCIPAL AMOUNT OF UP TO \$13,000,000 AND THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS.

Resolution No. CDC-10-07-11

WHEREAS, the St. Lawrence County Industrial Development Agency Civic Development Corporation (hereinafter called the "Issuer") was formed with the authority and power to issue its special revenue bonds for the purpose of, among other things, constructing, reconstructing and equipping, manufacturing, warehousing, civic, research, commercial, or industrial; and

WHEREAS, Edward John 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 prior 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 which 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; and (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

WHEREAS, the Issuer, by initial resolution duly adopted on May 12, 2010, (1) took official action towards the issuance of up to \$13,000,000 principal amount Civic Facility Revenue Bonds, Series 2010 (Edward John Noble Hospital of Gouverneur, New York Civic Facility) (the "Bonds") for the purpose of financing the Costs of the Facility for the benefit of the Hospital; (2) accepted the application of the Hospital; (3) authorized a public hearing; and (4) adopted findings pursuant to the State Environmental Quality

Review Act ("SEQRA") 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 SEQRA; 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 SEQRA, the Hospital has submitted to the Issuer a completed short Environmental Assessment Form dated June 15, 2010 (the "EAF"), with respect to the Project.

WHEREAS, the prior SEQRA determination made on May 12, 2010 was based upon an insufficient prior EAF ("Prior SEQRA"); 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 June 9, 2010, notices of which were published in *Gouverneur-Tribune Press* on May 21, 2010, *Advance News* on May 23, 2010, and *St. Lawrence Plaindealer* on May 25, 2010 and;

WHEREAS, by Resolution adopted by the Board of Legislatures of St. Lawrence County on June 14, 2010, the "applicable elected representatives," as required by Section 174(f) of the Code, approved the issuance of the Bonds; and

WHEREAS, the Issuer proposes to have the Bonds placed by KeyBanc Capital Markets Inc., 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) a loan agreement (the "Loan Agreement") by and between the Issuer and Hospital, (c) 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 (d) 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 Issuer as follows:

Section 1. The Issuer hereby finds and determines:

(a) 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

(b) 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

(c) 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 by the Hospital to the Issuer, and the Issuer assigning over to the Trustee, a certain Mortgage and Security Agreement, a certain Assignment of Rents, and a certain Pledge and Security Agreement, all for the purpose of assisting in financing the Project; and

(d) The public hearing held by the Issuer concerning the issuance of the Bonds and the nature of the Project was duly held in accordance with the requirements of the Code, 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 Bonds and the nature of the Project to be heard.

(e) 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;

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

Section 2. The Prior SEQRA finding is rescinded, and based upon a review of the Application and the EAF submitted to the Issuer, the Issuer determines to conduct an uncoordinated review of the Project and that the action relating to the financing, construction, renovation, equipping and operation of the Facility is an "unlisted" action, as that term is defined in SEQRA. 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 SEQRA. Notice of this determination is directed to be filed in the Issuer's records.

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

(a) issue and deliver 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 prior acquisition of the Facility and construct, refurbish, install and equip the Facility and pay necessary incidental expenses,

(d) loan the proceeds of the Bonds to the Hospital to finance the Project pursuant to the Loan Agreement,

(e) secure the Bonds and the Hospital's obligations under the Loan Agreement by assigning to the Trustee (i) certain of the Issuer's rights and remedies under the Loan Agreement, pursuant to the Indenture; (ii) a certain mortgage on the Facility (iii) a certain assignment of rents on rents of the Facility; and (iv) a certain pledge and security agreement on the Hospital's Gross Receipts;

(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 Bonds;

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

(h) authorize the use of the Private Placement Memorandum in connection with the placement of the Bonds, 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 loan the proceeds of the Bonds to the Hospital to finance the Project, and the Hospital has agreed, among other things, to repay the loan in installments equal to payments of debt service on the Bonds when due pursuant to the terms of the Loan 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 Loan Agreement, 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") and each in substantially the form presented to the Issuer 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. For those Bond Documents not presented as of the date of this Resolution, the Chairman (Vice Chairman) or Chief Executive Officer of the Issuer is hereby authorized, on behalf

of the Issuer to approve the form and substance of such Bond Documents pursuant to the review of Bond Counsel and Issuer Counsel.

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 \$13,000,000 in the form heretofore approved in Section 5 of this resolution, pursuant to and in accordance with the Bond Placement Agreement and 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 Costs of the Facility, funding the Reserve Fund and paying certain Costs of Issuance.

(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 repayment of the loan under the Loan Agreement 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, directors, 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, director, 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, directors, 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:

Move:	Weekes			
Second:	LaBaff			
VOTE	AYE	NAY	ABSTAIN	ABSENT
Blevins	X			
Hall	X			
LaBaff	X			
McMahon	X			
Staples	X			
Weekes	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 Civic Development Corporation, DO HEREBY CERTIFY:

That I have compared the annexed extract of minutes of the meeting of the St. Lawrence County Industrial Development Agency Civic Development Corporation (the "Issuer"), including the resolution contained therein, held on July 21, 2010, 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 21st day of July, 2010.



Mr. Lynn Blevins, Secretary

[SEAL]