

At a meeting of the St. Lawrence County Industrial Development Agency Civic Development Corporation (the "Issuer"), held at the Best Western, Canton, New York, on the 21<sup>st</sup> day of July, 2010, the following members of the Issuer were:

| <b>MEMBER</b>         | <b>PRESENT</b> | <b>ABSENT</b> |
|-----------------------|----------------|---------------|
| Lynn Blevins          | X              |               |
| Mark C. Hall          | X              |               |
| Ernest LaBaff         | X              |               |
| Andrew J. McMahon     | X              |               |
| Brian W. Staples      | X              |               |
| R. Joseph Weekes, Jr. | X              |               |

The following persons were also present: Officers and Staff: Raymond Fountain, CEO; Kimberly Gilbert, CFO; Patrick Kelly, Deputy CEO; Natalie Sweatland, Administrative Assistant; Richard Williams, Facilities Manager; William R. Small, Esq., Agency Counsel.

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

| <b>MEMBER</b>         | <b>AYE</b> | <b>NAY</b> | <b>ABSTAIN</b> | <b>ABSENT</b> |
|-----------------------|------------|------------|----------------|---------------|
| Lynn Blevins          | X          |            |                |               |
| Mark C. Hall          | X          |            |                |               |
| Ernest LaBaff         | X          |            |                |               |
| Andrew J. McMahon     | X          |            |                |               |
| Brian W. Staples      | X          |            |                |               |
| R. Joseph Weekes, Jr. | X          |            |                |               |

**AUTHORIZING THE ISSUANCE AND SALE OF THE ISSUER'S REVENUE BONDS (CANTON-POTSDAM HOSPITAL FOUNDATION PROJECT), SERIES 2010 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$4,000,000 FOR CANTON-POTSDAM HOSPITAL FOUNDATION, INC. AND THE EXECUTION OF RELATED DOCUMENTS.**

Resolution: CDC-10-07-12

**WHEREAS**, by application filed in June, 2010 (the "Application"), Canton-Potsdam Hospital Foundation, Inc. (the "Foundation"), a New York not-for-profit corporation, requested that the Issuer consider issuing its Civic Development Corporation Revenue Bonds (Canton-Potsdam Hospital Foundation Project) in the aggregate principal amount not to exceed \$4,000,000 (the "Bonds") to finance a project (the "Project") for the benefit of the Foundation consisting of (A) (1) the acquisition of approximately 24 acres of land located at 49 Lawrence Avenue in Potsdam, New York (the "Land") together with the former St. Mary's School building located thereon (the "Existing Facility"); (2) the construction of an approximately 1,500 square foot addition to the Existing Facility (the "Addition") and renovation of the Existing Facility; and (3) the acquisition and installation in the Existing Facility and the Addition of certain machinery and equipment (the "Equipment" and, together with the Land, the Existing Facility and the

Addition, being collectively referred to as the "Project Facility"), all for use by Canton-Potsdam Hospital (the "Hospital") for medical clinics and outpatient programs; (B) the refinancing of certain outstanding indebtedness of the Foundation incurred to fund costs of acquiring, constructing and renovating the Project Facility; and (C) paying costs incidental to the financing thereof; and

**WHEREAS**, the Issuer (A) caused notice of a public hearing of the Issuer (the "Public Hearing") pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), to hear all persons interested in the Project to be published on June 29, 2010 in The St. Lawrence Plaindealer, July 2, 2010 in The Daily Courier Observer and July 4 in the Advance News, newspapers of general circulation available to residents of the Village of Potsdam, (B) conducted the Public Hearing on Monday, July 19, 2010 at 6:00 p.m., local time at the Tech Center located at the Village Offices, Potsdam Civic Center Building, 2 Park Street, Potsdam, New York, and (C) will prepare a report of the Public Hearing which fairly summarizes the views presented at said public hearing and will distribute same to the members of the Issuer and to the St. Lawrence County Board of Legislators (the "County Legislature"); 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"), by resolution adopted on June 24, 2010 (the "SEQR Resolution"), the Issuer determined (A) the Project consists of a "Type II Action", and (B) that no further action under the SEQRA Act and the Regulations is required with respect to the Project (as said quoted terms are used in SEQRA); and

**WHEREAS**, the Issuer now proposes to issue its Revenue Bonds (Canton-Potsdam Hospital Foundation Project), Series 2010 in one or more series (the "Bonds"), in an aggregate principal amount not to exceed \$4,000,000 for the purpose of financing costs of undertaking the Project; and

**WHEREAS**, the Bonds are to be issued by the Issuer and purchased by Community Bank, N.A., as original purchaser of the Bonds (the "Holder") under a bond purchase and building loan agreement (the "Bond Purchase Agreement") by and between the Issuer, the **Foundation and the Holder; and**

**WHEREAS**, simultaneously with the issuance of the Bonds the Foundation and Issuer will execute and deliver a loan agreement (the "Loan Agreement") by and between the Issuer and the Foundation and certain other documents related to the Bonds as described in the Closing Memorandum for the Bonds; and

**WHEREAS**, pursuant to the terms of the Loan Agreement, (A) the Foundation will agree (1) to cause the Project to be undertaken and completed, and (2) to make certain payments under the Loan Agreement to or upon the order of the Issuer, and (B) the Issuer will agree to loan the proceeds of the sale of the Bonds to the Foundation; and

**WHEREAS**, pursuant to the Bond Purchase Agreement, the proceeds of the sale of the Bonds will be disbursed by the Holder to pay costs of the Project, but only upon satisfaction of the requirements for making such disbursements set forth in the Bond Purchase Agreement and the Loan Agreement; 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 completed Internal Revenue Service 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 Internal Revenue Service, (B) the Foundation will execute a tax regulatory agreement dated the date of delivery of the Bonds (the "Tax Regulatory Agreement") relating to the requirements in Sections 145, 146, 147, 148 and 149 of the Code and (C) the Holder will execute a letter (the "Issue Price Letter") confirming the issue price of the Bonds for purposes of Section 148 of the Code.

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

Section 1. The Issuer hereby finds and determines that:

(a) By virtue of Section 1411 of the Not-for-Profit Corporation Law of the State of New York (the "Act") and the Issuer's Certificate of Incorporation, 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 financing by the Issuer of the Project through the issuance of the Bonds pursuant to the Act and the Issuer's Certificate of Incorporation will promote community and economic development and the creation of jobs in the non-profit sector for citizens of St. Lawrence County and otherwise effectuate the purposes of the Act;

(c) It is desirable and in the public interest for the Issuer to issue the Bonds in an aggregate principal amount not to exceed \$4,000,000 in one or more series as such principal amount of each series of the Bonds shall be 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 Bond Purchase Agreement, all for the purpose of financing the cost of the Project together with necessary incidental expenses;

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

(e) In compliance with Article 8 of the Environmental Conservation Law and the regulations issued thereunder, the issuance of the Bonds to finance the construction, renovation and equipping of the Project Facility will not have a significant effect or significant impact on the environment;

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

(g) The Project Facility, and the operations of the Foundation 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 the Village of Potsdam.

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

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

(b) use the proceeds of the Bonds to (i) pay costs of the Project, and (ii) pay necessary expenses incidental to the foregoing, including but not limited to costs of issuing the Bonds;

(c) loan the proceeds of the sale of the Bonds to the Foundation pursuant to the Loan Agreement;

(d) secure the Bonds by (i) assigning to the Holder pursuant to the Pledge and Assignment certain of the Issuer's rights under the Loan Agreement, including the right to collect and receive certain amounts payable thereunder, and (ii) if requested by the Foundation acceptance of a mortgage from the Foundation on certain real property of the Foundation which may be assigned by the Issuer to the Holder;

(e) provide for the disbursement of the proceeds of the Bonds pursuant to the Bond Purchase Agreement;

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

(g) file the Information Return with the IRS; and

(h) 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 Foundation or the Holder in connection with the issuance of the Bonds.

Section 3. The Issuer is hereby authorized to loan the proceeds of the sale of the Bonds to the Foundation to pay all costs of the Project, 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 Loan Agreement, the Bond Purchase Agreement, the Bonds, the Pledge and Assignment, 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 Foundation or the Holder 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.

Section 5. Subject to receipt of notice from the County Legislature that it 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 Holder for purchase the Bonds in an aggregate principal amount not to exceed \$4,000,000 in the forms approved by an authorized officer of the Issuer identified in Section 6 hereof, against receipt of the purchase price, all pursuant to the Act and in accordance with the provisions of 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 mature on such dates, shall be issued in such amount not to exceed \$4,000,000, shall be issued in one or more series, 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 Bond Purchase Agreement 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 Foundation), 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 the County of St. Lawrence, New York or any political subdivision thereof and neither the State of New York, or the County of St. Lawrence, 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 the revenues and receipts derived from the Loan Agreement or from the enforcement of the security provided by the Financing Documents and the other security pledged to the payment thereof.

(e) Notwithstanding any other provision of this bond resolution, the Issuer covenants that it will make no use of the proceeds of the Bonds or any other funds of the Issuer (other than the Issuer's administrative and legal fee), which, if said use had been reasonably expected on the date of issuance of the Bonds, would have caused any of the Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Code.

Section 6.

(a) The Chief Executive Officer, the Chairman, Vice Chairman and Secretary 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, the Bond Purchase Agreement 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 Chief Executive Officer, the Chairman, Vice Chairman and Secretary shall approve. The execution of the Financing Documents and the Bond Purchase Agreement by the Chief Executive Officer, Chairman, Vice Chairman and Secretary shall constitute conclusive evidence of that approval.

(b) The Chief Executive Officer, the Chairman, Vice Chairman and Secretary 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 Bond Purchase Agreement.

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 County Legislature in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended.

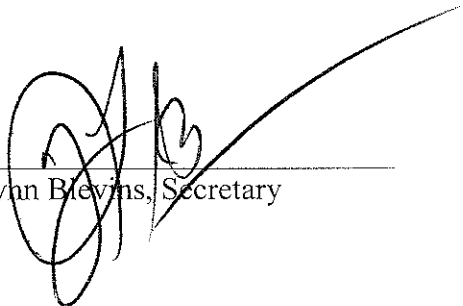
STATE OF NEW YORK            )  
  ) ss.:  
COUNTY OF ST. LAWRENCE    )

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 the 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 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 this 21st day of July, 2010.

  
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Mr. Lynn Blevins, Secretary