

At a meeting of the St. Lawrence County Industrial Development Agency Civic Development Corporation (the “Issuer”) convened in public session on the 9<sup>th</sup> day of March, 2016 in Canton, New York, the following members of the Issuer were:

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

The following persons were ALSO PRESENT: IDA Staff – Patrick J. Kelly, Lori Sibley, and Kimberly Gilbert.

On motion duly made by Mr. Hall and seconded by Mr. Weekes, the following resolution was placed before the members of the St. Lawrence County Industrial Development Agency Civic Development Corporation:

<b>Member</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>	<b>Absent</b>
Staples, Brian W.				X
LaBaff, Ernest	X			
Blevins, Lynn	X			
Hall, Mark C.	X			
McMahon, Andrew				X
Burke, John	X			
Weekes, Jr., R. Joseph	X			

After the meeting had been duly called to order, the Vice-Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to the issuance and sale of the Issuer’s proposed Revenue Bonds (St. Lawrence Health System Project), Series 2016 in a principal amount not to exceed \$30,000,000.

**FINAL AUTHORIZING RESOLUTION**  
*(St. Lawrence Health System Project)*

Resolution No. CDC-16-03-08

RESOLUTION OF THE ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY CIVIC DEVELOPMENT CORPORATION (THE "ISSUER") AUTHORIZING THE ISSUANCE, EXECUTION, SALE AND DELIVERY OF THE ISSUER’S REVENUE BONDS (ST. LAWRENCE HEALTH SYSTEM PROJECT), SERIES 2016 IN ONE OR MORE SERIES AND IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$30,000,000 AND THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS

WHEREAS, pursuant to the purposes and powers contained within Section 1411 of the Not-for-Profit Corporation Law ("N-PCL") of the State of New York (the "State"), as amended (hereinafter collectively called the "Act"), and pursuant to its certificate of incorporation filed on March 13, 2010 (the "Certificate"), the **ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY CIVIC DEVELOPMENT CORPORATION** (the "Issuer") was established as a not-for-profit local development corporation of the State with the authority and power to own, lease and sell personal and real property for the purposes of, among other things, acquiring, constructing and equipping certain projects exclusively in furtherance of the charitable or public purposes of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instructing or training individuals to improve or develop their capabilities for such jobs, by encouraging the development of, or retention of, an industry in the community or area, and lessening the burdens of government and acting in the public interest; and

WHEREAS, St. Lawrence Health System, Inc., a New York not-for-profit corporation (the "Institution"), has submitted an application to the Issuer requesting the Issuer issue its tax-exempt revenue bonds, in one or more series in an aggregate principal amount not to exceed \$30,000,000 (collectively, the "Bonds") for the purposes of providing funds to the Institution for a certain project consisting of: (A)(1) the construction of an approximately 60,000 sq. ft., three-level medical office building/ambulatory care center located at 6119 U.S. Highway 11, in the Town of Canton, New York (the "Medical Office Building"); (2) the acquisition and installation in the Medical Office Building of furniture, machinery and equipment (the "MOB Equipment"); (B) the renovation and improvement of the existing Canton-Potsdam Hospital (the "Hospital") building located at 50 Leroy Street, in the Village of Potsdam, New York (the "Hospital Improvements"); (C) the acquisition and installation at the Hospital of furniture, machinery and equipment (the "Hospital Equipment") (the Medical Office Building, the MOB Equipment, the Hospital Improvements and the Hospital Equipment are collectively referred to as the "Project Facility"); and (D) paying costs incidental to the financing thereof; and

WHEREAS, the Issuer is contemplating providing financial assistance to the Institution with respect to the Project (the "Financial Assistance") in the form of (i) the issuance of the Bonds in an amount not to exceed \$30,000,000, and (ii) granting exemption from the New York State and local mortgage recording tax; and

WHEREAS, in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), the Issuer conducted a public hearing on March 3, 2016 with respect to the issuance of the Bonds, following the publication in The Advance News, the St. Lawrence Plaindealer and The Tribune Press of a notice of said public hearing; and

WHEREAS, on March 7, 2016 the St. Lawrence County Board of Legislators approved the issuance of the Bonds for purposes of Section 147 of the Code; and

WHEREAS, the Bonds are being issued and sold pursuant to a trust indenture (the "Indenture"), to be dated as of April 1, 2016, or such other date acceptable to the Chairperson or the President/CEO of the Issuer (each an "Authorized Officer"), by and between the Issuer and a municipal bond trustee, as trustee for the holders of the Bonds (the "Trustee"); and

WHEREAS, the Bonds will be purchased by Key Government Finance, Inc., or an affiliate thereof, as original purchaser of the Bonds (the “Holder”) under a bond purchase and construction loan agreement or similar contract of purchase (the “Bond Purchase Agreement”) by and between the Issuer, the Institution and the Holder; and

WHEREAS, the Issuer will loan the net proceeds derived from the issuance and sale of the Bonds to the Institution pursuant to a certain Loan Agreement, to be dated as of April 1, 2016 or such other date acceptable to the Authorized Officer (the “Loan Agreement”), by and between the Issuer and the Institution, pursuant to which the Institution will agree (A) to cause the Project to be undertaken and completed, and (B) to make certain payments thereunder being sufficient to pay the principal of, premium, if any, and interest on the Bonds; and

WHEREAS, simultaneously with the issuance of the Bonds, the Institution and Issuer will execute and deliver the Loan Agreement and certain other documents related to the Bonds as described in the Closing Memorandum for the Bonds; and

WHEREAS, pursuant to the Indenture, 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 Indenture, the Bond Purchase Agreement and the Loan Agreement; and

WHEREAS, the Issuer will assign to the Trustee its rights (other than the Unassigned Rights (as defined in the Indenture)) under the Loan Agreement pursuant to the Pledge and Assignment, to be dated as of April 1, 2016 or such other date acceptable to the Authorized Officer (the “Assignment”), from the Issuer to the Trustee with an Acknowledgment thereof by the Institution; and

WHEREAS, the Institution 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 such capital expenditures, and (3) reimburse itself for the use of such funds with proceeds of the Bonds; 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 by the members of the board of directors of the Issuer on February 18, 2016 (the “SEQR Resolution”), the Issuer (A) reviewed the Institution’s application, (B) determined that the construction and equipping of the Medical Office Building constituted an “Unlisted Action” under SEQRA, (C) determined that the construction and equipping of the Medical Office Building would not have a “significant effect on the environment” and therefore that an environmental impact statement would not be prepared with respect to the Medical Office Building, (D) issued a “negative declaration” with respect to the Medical Office Building (as such quoted terms are used in SEQRA), and (E) determined that the

acquisition, construction and installation of the Hospital Improvements and the Hospital Equipment constitutes a “Type II Action” under SEQRA requiring no further environmental review; 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 Section 149(e) of the Code, and (3) file the Information Return with the Internal Revenue Service, (B) the Institution and the Hospital will execute a tax regulatory agreement dated the date of delivery of the Bonds (the “Tax Regulatory Agreement”) relating to the requirements of 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 BOARD OF DIRECTORS OF THE ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY CIVIC DEVELOPMENT CORPORATION AS FOLLOWS:

Section 1. The Institution has presented an application in a form acceptable to the Issuer. Based upon the representations made by the Institution to the Issuer in the Institution's application, the Issuer hereby finds and determines that:

(A) By virtue of the Act and the Certificate, 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 the Certificate; and

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

(C) The action to be taken by the Issuer will induce the Institution to undertake the Project, thereby increasing employment opportunities in St. Lawrence County, New York and reducing the burdens of government for St. Lawrence County and in furtherance of the purposes of the Issuer as set forth in the Act; and

(D) It is desirable and in the public interest for the Issuer to issue its Bonds to finance the costs of the Project, together with certain related costs and amounts, in an aggregate amount not to exceed \$30,000,000; and

(E) The Institution is not undertaking the Project in place of, on behalf of, for the benefit of, or at the request of the Issuer.

Section 2. The proposed Financial Assistance being contemplated by the Issuer includes financing a portion of the costs of the Project by the issuance of the Bonds in an amount not to exceed \$30,000,000 and the grant of exemption from the New York State and local

mortgage recording tax that would otherwise be due upon recording of mortgages securing the Bonds.

Section 3. The granting of the Financial Assistance, as contemplated by Section 2 of this Resolution, shall be subject to agreement by the Issuer, the Institution and the Holder 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 4. In consequence of the foregoing, the Issuer hereby determines to:

(A) execute the Indenture with such amendments or modifications as the Authorized Officer deems necessary under the circumstances, provided no such amendment or modification materially alters the risk to the Issuer; and

(B) execute the Loan Agreement with such amendments or modifications as the Authorized Officer of the Issuer deems necessary under the circumstances, provided no such amendment or modification materially alters the risk to the Issuer and loan the net proceeds derived from the issuance of the Bonds to the Institution pursuant to the terms thereof; and

(C) issue and deliver the Bonds to the Trustee pursuant to the Indenture, subject however to the approval of the final terms for the Bonds and the terms and conditions of the Bond Purchase Agreement consistent with this Resolution, and the prior written approval of all terms contained therein, and of the terms of the Bonds, by the Authorized Officer of the Issuer and by the Institution and the Holder; and

(D) sell the Bonds to the Holder pursuant to the Bond Purchase Agreement; and

(E) 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; and

(F) provide for the disbursement of the proceeds of the Bonds pursuant to the Indenture; and

(G) assign certain of its rights (excluding Unassigned Rights) under the Loan Agreement pursuant to the Assignment; and

(H) execute the Tax Regulatory Agreement, the Arbitrage Certificate and a completed Information Return relating to the Bonds and file the Information Return with the Internal Revenue Service in connection with the issuance of the Bonds; and

(I) execute and deliver all other certificates and documents required in connection with issuance and sale of the Bonds including the documents identified on the draft Closing Memorandum and any other documents as may be required by the Holder or otherwise required to accomplish the Project, qualify the interest on the Bonds for tax-exempt status under Section 103 of the Code (collectively, with the Bonds, the Indenture, the Loan Agreement, the

Bond Purchase Agreement, the Tax Regulatory Agreement and the Assignment, the “Financing Documents”).

Section 5. The Issuer is hereby authorized to undertake the Project, to finance the costs of acquisition, construction and equipping of the Project Facility, the funding of a debt service reserve fund, if any, capitalized interest, if any, and costs of issuance, by the issuance of the Bonds and to grant the other Financial Assistance and all acts previously taken by the Issuer with respect to the acquisition, construction and equipping of the Project Facility, the undertaking of the Project, the grant of Financial Assistance with respect to the Project and the issuance of the Bonds are hereby approved, ratified and confirmed.

Section 6. The Issuer is hereby authorized to issue, execute, and deliver the Bonds to the Trustee in accordance with the provisions of the Indenture and the terms authorized in this Resolution, and sell the Bonds to the Holder in accordance with the provisions of the Bond Purchase Agreement. Each of the Authorized Officers of the Issuer is hereby authorized, on behalf of the Issuer, to execute (by manual or facsimile signature) and deliver the Financing Documents, on such terms and conditions as shall be consistent with this Resolution and approved by an Authorized Officer, the execution thereof by such Authorized Officer constituting conclusive evidence of such approval.

Section 7. Subject to the limitations contained herein, the Issuer, through an Authorized Officer, is hereby authorized to issue, execute, and deliver to the Trustee, and sell to the Holder, the Bonds in the aggregate principal amount of up to \$30,000,000 in the form heretofore approved in Section 3 of this Resolution, pursuant to the Act and in accordance with the Indenture; provided that:

(A) The Bonds authorized to be issued, executed, sold and delivered pursuant to this Section 7 (i) shall be issued, executed and delivered at such time as an Authorized Officer shall determine, (ii) shall be in such aggregate principal amount (not to exceed \$30,000,000) as is hereinafter approved by an Authorized Officer, (iii) shall bear interest at such rates as are set forth in the Bonds and the Indenture or as are hereinafter approved by an Authorized Officer, and (iv) shall be subject to prepayment prior to maturity, and 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; and

(B) The Bonds shall be issued solely for the purpose of providing funds to assist the Institution to finance the Costs of the Project (as such term is defined in the Indenture), the administrative, legal, financial, and other expenses of the Issuer in connection with such assistance and incidental to the issuance of the Bonds, as such costs are more specifically set forth in the Financing Documents; and

(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; and

(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 payments made by the Institution pursuant to the Loan Agreement or from the enforcement of the security provided by the Financing Documents.

Section 8. Notwithstanding any other provision of this Resolution, the Issuer covenants that it will make no use of the proceeds of the Bonds or of any other funds which, if such use had been reasonably expected on the date of issue of the Bonds, would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

Section 9. The Authorized Officers 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 by the provisions of the Financing Documents, and to execute and deliver all such additional certificates, instruments and documents, including the Financing Documents and the Information Return, and to do all such further acts and things as may be necessary or in the opinion of the Authorized Officer acting on behalf of the Issuer, desirable and proper to effect the purposes of this Resolution and to cause compliance by the Issuer with all of the terms, covenants, and provisions of the Financing Documents binding upon the Issuer.

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.

Section 11. Due to the complex nature of this transaction, the Issuer hereby authorizes its Authorized Officers to approve, execute and deliver such further agreements, documents and certificates as the Issuer may be advised by counsel to the Issuer and/or Bond Counsel to be necessary or desirable to effectuate the foregoing, such approval to be conclusively evidenced by the execution of any such agreements, documents or certificates by the Authorized Officer acting on behalf of the Issuer.

Section 12. This Resolution shall take effect immediately.

The Resolutions were thereupon duly adopted.

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

I, Lynn Blevins, 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 Agency Development Agency Civic Development Corporation (the "Issuer"), including the resolution contained therein, held on March 9, 2016, 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 directors 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 directors 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 (if any) of said Issuer this 9<sup>th</sup> day of March, 2016.

*Lynn Blevins*

By: \_\_\_\_\_  
Mr. Lynn Blevins  
Secretary

[SEAL]