

Date: December 11, 2017

At a meeting of the Ontario County Local Development Corporation, Ontario County, New York (the “Issuer”), held at 20 Ontario Street, Canandaigua, New York 14424, on the 11th day of December, 2017 at 5:00 p.m., the following members of the Issuer were:

Present: Michael L. Davis, Chair  
Andrew Molodetz, Vice Chair  
Lewis C. Zulick, MD, Treasurer  
Laura Pedersen, Secretary  
Kelly Mittiga, Member  
David Reh, Member

Absent:

Excused: Jeff Gallahan, Member

Also Present: Michael J. Manikowski, Executive Director  
Michael Wojcik, CFO  
Suzanne Vary, Deputy Executive Director  
Diane Foster, Staff  
Jessica Kazmark, Staff  
T. Barry Carrigan, Esq., Bond Counsel  
Jim Dolan, McFarland Johnson  
Zach Staff, McFarland Johnson  
Brian Young, Deputy County Administrator

After the meeting had been duly called to order, the 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 Refunding Bonds, Series 2017 (The Frederick Ferris Thompson Hospital Project) presently estimated to be approximately \$36,165,000 but not to exceed \$40,000,000.

The following resolution was duly moved, seconded, discussed and adopted with the following members voting:

Voting Aye

M. Davis  
L. Zulick  
L. Pedersen  
A. Molodetz  
K. Mittiga  
D. Reh

Voting Nay

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF THE ISSUER'S REVENUE REFUNDING BONDS, SERIES 2017A (THE FREDERICK FERRIS THOMPSON HOSPITAL PROJECT), IN THE AGGREGATE PRINCIPAL AMOUNT PRESENTLY ESTIMATED TO BE APPROXIMATELY \$33,665,000 AND ITS TAXABLE REVENUE REFUNDING BONDS, SERIES 2017B (THE FREDERICK FERRIS THOMPSON HOSPITAL PROJECT), IN THE AGGREGATE PRINCIPAL AMOUNT PRESENTLY ESTIMATED TO BE APPROXIMATELY \$2,500,000 AND THE EXECUTION OF RELATED DOCUMENTS.

WHEREAS, pursuant to Section 1411 of the New York Not-For-Profit Corporation Law (the "**Act**"), the Ontario County Local Development Corporation (the "**Issuer**"), was created with the authority and power to issue its revenue bonds for the purpose of, among other things, acquiring certain industrial facilities as authorized by the Act; and

WHEREAS, there was submitted to the Issuer a proposal to issue its Revenue Refunding Bonds, Series 2017A (The Frederick Ferris Thompson Hospital Project), under Section 145 of the Code (the "**Code**"), in an aggregate principal amount of \$33,665,000 (the "**Series 2017A Bonds**"), for the benefit of The Frederick Ferris Thompson Hospital (the "**Hospital**"), a duly organized and validly existing New York not-for-profit corporation, and an organization described in Section 501(c)(3) of the Code, which is exempt from federal income taxation pursuant to Section 501(a) of the Code, for the (A) refunding of a portion of the outstanding Variable Rate Civic Facility Revenue Bonds, Series 2003B (The Frederick Ferris Thompson Hospital Civic Facility) issued by the Ontario County Industrial Development Agency currently outstanding in the aggregate principal amount of \$9,000,000 (the "**Series 2003B Bonds**"), the proceeds of which Series 2003B Bonds were used to provide a portion of the funds required (i) to construct an approximately 42,800 square foot addition to the existing hospital building located at 350 Parrish Street, in the City of Canandaigua, Ontario County, New York (the "**Hospital Campus**"), necessary to house the emergency department, to expand the diagnostic imaging area and to create new lobby space; (ii) to renovate approximately 25,000 square feet of the existing hospital building, housing the diagnostic imaging, patient access, lobby and same-day surgery areas; and (iii) to pay certain related costs with respect to the issuance of the Series 2003B Bonds (collectively, the "**Series 2003B Facility**"); (B) refunding of the outstanding Revenue Bonds, Series 2010 (The Frederick Ferris Thompson Hospital Project) issued by the Issuer, currently outstanding in the aggregate principal amount of \$25,809,733 (the "**Series 2010 Bonds**"), the proceeds of which Series 2010 Bonds were used to provide a portion of the funds required to (i) construct and equip an approximately 64,074 square foot two-story addition to the existing building located at the Hospital Campus, in order to combine outpatient and inpatient surgeries with expanded room sizes to accommodate growth in outpatient procedures and to support new technology including, but not limited to, the replacement of six out dated operating suites and two endoscopy suites presently located separately into a single centralized surgical care unit comprised of six state-of-the-art operating suites, four endoscopy suites and an expanded recovery area (collectively, the "**Surgical**

**Center**”); (ii) relocate Central Sterile Processing Services to be located adjacent to the Surgical Center to provide direct access to the suites in order to maximize efficient and safe stocking of the Surgical Center; (iii) the expansion and reconfiguration of the Hospital’s laboratory in order to support new technologies; (iv) the relocation and expansion of the Rehab Services Department (which includes Physical Therapy, Occupational Therapy and Speech Therapy) to the ground level near the new entrance to facilitate the ambulatory needs of patients; (v) the relocation, expansion and equipping of the Dietary Facilities to the space previously occupied by the Rehab Services Department, which will allow for improved utilization of the services by staff, inpatients, outpatients, family and visitors; (vi) the relocation and renovation of Associate Services (Human Resources) to the space previously occupied by Dietary Services (collectively, the “**Improvements**”), all to be located on the Hospital Campus (the **Improvements**, together with all related fixtures and personal property, the “**Series 2010 Facility**”); and (vii) to pay certain related costs with respect to the issuance of the Series 2010 Bonds; (C) funding a debt service reserve, if required for the Series 2017A Bonds; and (D) paying certain costs of issuance of the Series 2017A Bonds (collectively, the “**Series 2017A Project**”); and

WHEREAS, the Issuer proposes to issue its Taxable Revenue Refunding Bonds, Series 2017B (The Frederick Ferris Thompson Hospital Project), for the benefit of the Hospital in an aggregate principal amount of \$2,500,000 (the “**Series 2017B Bonds**”); and, together with the Series 2017A Bonds, the “**Series 2017 Bonds**”), for the (A) refunding of a portion of the outstanding Series 2003B Bonds, the proceeds of which Series 2003B Bonds were used to provide a portion of the funds required (i) to refund the outstanding F.F. Thompson Hospital and Thompson Nursing Home Project Revenue Bonds, 1994 Series A, issued by the New York State Medical Care Facilities Finance Agency (now the Dormitory Authority of the State of New York) in the original principal amount of \$14,480,000 (the “**1994 Bonds**”), which 1994 Bonds were used to finance or refinance the construction of a three-story addition to the Hospital Campus, for the purposes of consolidating Hospital administrative functions as well as housing operating rooms and maternity services of the Hospital, the renovation of the previously existing hospital building, the construction of a one-story forty bed addition to the previously existing nursing home building located on the Hospital Campus, which included two new dining rooms, three activity rooms and a sitting room (the “**Nursing Home**”) and to refinance previously existing indebtedness of the Hospital, which financed the construction, renovation and equipping of the hospital building and the Nursing Home, (ii) to construct an approximately 42,800 square foot addition to the existing hospital building located at the Hospital Campus, necessary to house the emergency department, to expand the diagnostic imaging area and to create new lobby space; (iii) to renovate approximately 25,000 square feet of the existing hospital building, housing the diagnostic imaging, patient access, lobby and same-day surgery areas; and (iv) to pay certain related costs with respect to the issuance of the Series 2003B Bonds (collectively, the “**Series 2003A Facility**”); and, together with the Series 2003B Facility and the Series 2010 Facility, the “**Facility**”); (B) funding a debt service reserve, if required for the Series 2017B Bonds; and (C) paying certain costs of issuance of the Series 2017 Bonds

(collectively, the “**Series 2017B Project**”; and, together with the Series 2017A Project, the “**Series 2017 Project**”); and

WHEREAS, the Issuer, by resolution duly adopted on November 27, 2017, took official action under the provisions of the Act to issue the Series 2017A Bonds for the purpose of financing the Series 2017A Project; and

WHEREAS, the Issuer is now taking official action to issue the Series 2017B Bonds for the purpose of financing the Series 2017B Project; and

WHEREAS, the Issuer has proposed to loan the proceeds of the Series 2017 Bonds to the Hospital pursuant to the terms of a Loan Agreement, dated as of December 1, 2017, or such other date as the Executive Director and counsel to the Issuer agree (the “**Loan Agreement**”), whereby the Hospital will be obligated, among other things, to make loan payments to or for the account of the Issuer in amounts and at times so that such loan payments will be adequate to pay the principal of, premium, if any, and interest on the Series 2017 Bonds; and

WHEREAS, the Hospital has agreed to indemnify the Issuer against certain losses, claims, expenses, damages and liabilities which may arise in connection with the transactions contemplated by the issuance of the Series 2017 Bonds and the financing of the Series 2017 Project; and

WHEREAS, in compliance with Section 147(f) of the Code, the Issuer, on December 1, 2017, held a public hearing on the issuance of the Series 2017A Bonds following public notice on November 17, 2017; and

WHEREAS, by Approving Body Resolution, dated December 7, 2017, the Board of Supervisors of Ontario County, New York, the “applicable elected representative” as required under Section 147(f) of the Code approved the issuance of the Series 2017A Bonds; and

WHEREAS, the Hospital has received a commitment from Key Government Finance, Inc. (the “**Purchaser**”), to purchase the Series 2017 Bonds in the aggregate principal amount presently estimated to be \$36,165,000.

NOW, THEREFORE, BE IT RESOLVED by the Ontario County Local Development Corporation (a majority of the members thereof affirmatively concurring) 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 Series 2017 Project, and the lending of the proceeds of the Series 2017 Bonds pursuant to the Loan Agreement will promote and maintain the job

opportunities, health, general prosperity and economic welfare of the citizens of Ontario County and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(c) It approves of the location of the site of the Facility; and

(d) Based upon representations and warranties of the Hospital, the Facility conforms with the local zoning laws and planning regulations of Ontario County and all regional and local land use plans for the area in which the Facility is located; and

(e) The financing of the Series 2017 Project is reasonably necessary to induce the Hospital to maintain and expand its operations within the State of New York; and

(f) The Facility 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 Ontario County; and

(g) The Facility and the operations conducted therein will not have a significant effect on the environment, as determined in accordance with Article 8 of the Environmental Conservation Law of the State of New York and the regulations promulgated thereunder; and

(h) It is desirable and in the public interest for the Issuer to issue and sell the Series 2017A Bonds in the aggregate principal amount presently estimated to be approximately \$33,665,000 and the Series 2017B Bonds in the aggregate principal amount presently estimated to be \$2,500,000 upon the terms and conditions set forth in a certain Indenture of Trust, dated as of December 1, 2017, or such other date as the Executive Director and counsel to the Issuer agree (the “**Indenture**”), and such Indenture will be an effective instrument which, among other things, provides for the issuance of the Series 2017 Bonds, secures the Series 2017 Bonds, assigns to The Bank of New York Mellon, as trustee (the “**Trustee**”), certain rights and remedies of the Issuer in and to the trust estate set forth in the Indenture and authorizes the Trustee to accept and execute trusts of the character set forth in the Indenture; and

(i) The Loan Agreement will be an effective instrument whereby the Issuer will loan the proceeds of the Series 2017 Bonds to the Hospital; and

(j) The Promissory Notes, each dated the date of issuance of the Series 2017 Bonds (collectively, the “**Notes**”), from the Hospital to the Issuer, will be effective instruments evidencing the Hospital’s obligation to make loan payments to the Issuer; and

(k) The Endorsements of the Notes, each dated the date of issuance of the Series 2017 Bonds (collectively, the “**Endorsements**”), from the Issuer to the Trustee, will be an effective instrument which, among other things, assigns the Notes from the Issuer to the Trustee; and

(l) The Tax Regulatory Agreement, dated the Closing Date, by and between the Hospital and the Issuer (the “**Tax Regulatory Agreement**”), will be an effective instrument whereby the Hospital and the Issuer set forth certain representations, expectations, conditions and covenants establishing compliance with the restrictions imposed by the Code relating to hearings and approval by the Issuer, activities of the Hospital, the Series 2017A Bonds, the Series 2017A Project and the application of the proceeds of the Series 2017A Bonds; and

(m) Based on representations by Bond Counsel, under Section 103(a) and Section 145(a) of the Code and the applicable regulations of the Department of Treasury promulgated thereunder, the interest on an issue of revenue bonds issued by a local development corporation of a State for certain facilities for use by an organization described in Section 501(c)(3) of the Code is excludable from gross income for federal income tax purposes, subject to the limitations and requirements of the Code.

Section 2. In consequence of the foregoing, the Issuer hereby determines to: (i) issue and sell the Series 2017 Bonds to the Purchaser, (ii) use the proceeds of the Series 2017 Bonds to pay the costs of the Series 2017 Project, (iii) loan the proceeds of the Series 2017 Bonds to the Hospital pursuant to the Loan Agreement, (iv) secure the Series 2017 Bonds by vesting certain powers and duties in the Trustee pursuant to the Indenture, and by assigning to the Trustee certain of the Issuer’s rights and remedies under the Loan Agreement and the Notes, and (v) file the Information Return for Private Activity Bond Issues, Form 8038 (the “**Information Return**”) in the manner and at the places provided in the Code.

Section 3. The Issuer is hereby authorized to loan the proceeds of the Series 2017 Bonds pursuant to the terms of the Loan Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Issuer with respect to such loan are hereby approved, ratified and confirmed.

Section 4. The Issuer is hereby authorized to issue and execute, sell and deliver the Series 2017A Bonds in the aggregate principal amount estimated to be \$33,665,000 and the Series 2017B Bonds in the aggregate principal amount estimated to be \$2,500,000 to the Purchaser pursuant to the Act and in accordance with the Indenture; provided that:

(a) The Series 2017 Bonds shall (i) be issued, executed and delivered at such time as the Chairman, the Vice Chairman, or the Executive Director of the Issuer shall determine, and (ii) bear interest at the rates, be subject to redemption prior to maturity, and have such other provisions and be issued in such manner and on such conditions as set forth in the Series 2017 Bonds and the Indenture, which terms are specifically incorporated herein with the same force and effect as if fully set forth herein.

(b) The Series 2017 Bonds shall be issued solely for the purpose of providing funds to pay the Costs of the Series 2017 Project (as defined in Schedule A to the Indenture) including certain costs of issuance, including without limitation the administrative, legal, financial and other expenses of the Issuer incurred in connection

with the financing of the Series 2017 Project and which are incidental to the issuance of the Series 2017 Bonds.

(c) The Series 2017 Bonds and the interest thereon are not and shall never be a debt of the State of New York or Ontario County, New York, and neither the State of New York nor Ontario County, New York, shall be liable thereon.

(d) The Series 2017 Bonds, together with interest payable thereon, shall be special obligations of the Issuer payable solely from the revenues and receipts derived from the Hospital or from the enforcement of the security provided by the Pledge and Security Agreement, dated as of December 1, 2017 (the “**Pledge and Security**”) from the Hospital and F.F. Thompson Foundation, Inc. (the “**Foundation**”), to the Trustee and the Guaranty Agreement, dated as of December 1, 2017 (the “**Guaranty**”), from the Foundation to the Trustee or such other security documents as shall be determined by the Purchaser.

(e) Notwithstanding any other provision of this resolution, the Issuer covenants that it will make no use of the proceeds of the Series 2017A Bonds or of any other funds which, if such use were reasonably expected on the date of issue of the Series 2017A Bonds, would cause the Series 2017A Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code.

#### Section 5.

(a) The Chairman, the Vice Chairman, the Executive Director and all members of the Issuer are hereby authorized, on behalf of the Issuer, to execute and deliver the Indenture, the Loan Agreement, the Endorsements, the Tax Regulatory Agreement and the Series 2017 Bonds (hereinafter collectively called the “**Financing Documents**”) and the Information Return, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, the Vice Chairman, the Executive Director or any member of the Issuer shall approve. The execution thereof by the Chairman, the Vice Chairman, the Executive Director or any member of the Issuer shall constitute conclusive evidence of such approval.

(b) The Chairman, the Vice Chairman, the Executive Director and all members of the Issuer are further hereby authorized, on behalf of the Issuer, to designate any additional Authorized Representatives of the Issuer (as defined in Schedule A to the Indenture).

Section 6. The 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 by the provisions of the Financing Documents, and to execute and deliver all such additional certificates, instruments and documents, to 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 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 Financing Documents binding upon the Issuer.

Section 7.

(a) It is desirable and in the best interest of the Issuer that, in connection with the issuance of the Series 2017 Bonds, the Series 2017 Bonds be qualified or registered for offer in various states authorized by the Issuer and that each of the members, officers, employees and agents of the Issuer be, and they hereby are each, authorized to determine the states in which appropriate action shall be taken to qualify or register for offer all or such part of the Series 2017 Bonds as said members, officers, employees and agents may deem advisable (and any such action taken to date is hereby approved, ratified and confirmed); that each of said members, officers, employees and agents be, and they hereby are each, authorized and directed to take any and all action for and on behalf of the Issuer, in connection with the proposed sale of the Series 2017 Bonds, which they may deem necessary or appropriate to obtain licenses or permits, or register, qualify or notice the Series 2017 Bonds for reoffering and issuance under the securities or Blue Sky laws of such of the various states as each of said members, officers, employees and agents may deem advisable (and any such action taken to date is hereby approved, ratified and confirmed), and in connection with such registrations, licenses, permits, qualifications or notices, to execute and file for and on behalf of the Issuer all such applications, notices, reports, issuer's covenants, resolutions, irrevocable consents to service of process (including appointment of a designated state official to act as agent to receive process), powers of attorney and information, and to take all such further action as any of them may deem necessary or desirable to keep in effect such registrations, licenses, permits, qualifications or notices or to comply with the requirements of any regulatory commission whose approval or notification with respect to the Series 2017 Bonds may be required (and any such action taken to date is hereby approved, ratified and confirmed); and that the execution by such members, officers, employees and agents of the Issuer of any such paper or document or the doing by them of any act in connection with the foregoing matters shall conclusively establish their authority therefor and the approval by the Issuer of the papers and documents so executed and the action so taken (and any such action taken to date is hereby approved, ratified and confirmed).

(b) The Issuer hereby adopts the form of any resolution required by any state authority to be filed in connection with any application, consent to service of process or other document mentioned in the foregoing resolution if (i) in the opinion of a member, officer, employee or agent of the Issuer the adoption of such a resolution is necessary or advisable, and (ii) the Executive Director of the Issuer evidences such adoption by attaching to the minutes of this meeting copies of such resolutions, which will thereupon be deemed to have been adopted by the Issuer with the same force and effect as if originally attached to the minutes of this meeting (and any such action taken to date is hereby approved, confirmed and ratified).

(c) The Issuer hereby resolves that each of such members, officers, employees and agents be, and they hereby are each, authorized and directed to take any and all action for and on behalf of the Issuer in connection with the proposed issuance and offering of the Series 2017 Bonds which they may deem necessary or appropriate to



render the Series 2017 Bonds legal for investment by savings banks, insurance companies, trust funds and any other institutions in such other of the various states as such members, officers, employees or agents may deem advisable (and any such action taken to date is hereby approved, confirmed and ratified).

Section 8. This resolution shall take effect immediately and the Series 2017 Bonds are hereby ordered to be issued in accordance with this resolution.

