

CERTIFICATE OF APPROVAL OF THE DUTCHESS COUNTY EXECUTIVE

APPROVING THE ISSUANCE OF CERTAIN OBLIGATIONS BY DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION TO FINANCE A CERTAIN PROJECT FOR HEALTHQUEST SYSTEMS, INC.

WHEREAS, pursuant to Section 1411 of the Not-for-Profit Corporation Law of the State of New York, as amended (the "Enabling Act"), Revenue Ruling 57-187 and Private Letter Ruling 200936012, the County Legislature of Dutchess County, New York (the "County") adopted a resolution on April 12, 2010 (the "Sponsor Resolution") (1) authorizing the incorporation of Dutchess County Local Development Corporation (the "Issuer") under the Enabling Act, and (2) appointing the initial members of the Board of Directors of the Issuer; and

WHEREAS, in April, 2010, a Certificate of Incorporation was filed with the New York Secretary of State's Office (the "Certificate of Incorporation") creating the Issuer as a public instrumentality of the County; and

WHEREAS, the County adopted Resolution No. 2015263 (the "Amending Resolution") on November 10, 2015 authorizing the amendment of the Issuer's Certificate of Amendment to allow the Issuer to provide financial assistance as requested by the County Executive of contiguous counties if those counties do not have a Local Development Corporation of their own; and

WHEREAS, on December 2, 2015, the Amendment to the Certificate of Incorporation as approved by the County was filed with the New York Secretary of State's Office (the "Amendment to the Certificate of Incorporation"); and

WHEREAS, the County Executive of Putnam County has requested the Issuer to provide the financing set forth herein for the Project; and

WHEREAS, the Issuer is authorized and empowered by the provisions of the Enabling Act to relieve and reduce unemployment, promote and provide for additional and maximum employment, better and maintain job opportunities, and lessen the burdens of government and act in the public interest, and in carrying out the aforesaid purposes and in exercising the powers conferred in the Enabling Act, the Enabling Act declares that the Issuer will be performing essential governmental functions; and

WHEREAS, to accomplish its stated purposes, the Issuer is authorized and empowered under the Enabling Act to acquire real and personal property; to borrow money and issue negotiable bonds, notes and other obligations therefore; to lease, sell, mortgage or otherwise dispose of or encumber any of its real or personal property upon such terms as it may determine; and otherwise to carry out its corporate purposes in the territory in which the operations of the Issuer are principally to be conducted; and

WHEREAS, in November, 2015, HealthQuest Systems, Inc. (the "Corporation"), 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, having an office at 1351 Route 55, Suite 200, LaGrangeville, New York 12540-5144, presented an application (the "Application") to the Issuer, which Application requested that the Issuer issue its Tax-Exempt Revenue Bonds, Series 2015 (HealthQuest Systems, Inc. Project) in the aggregate principal amount presently estimated to be \$40,000,000 but not to exceed \$45,000,000 (the "Series 2015 Bonds") for the benefit of the Corporation or the Corporation's member hospitals, Vassar Brothers Medical Center in Dutchess County, Northern Dutchess Hospital in Dutchess County, and Putnam Hospital Center in Putnam County, all of which are organizations described in Section 501(c)(3) of the Code (collectively, the "Member Hospitals"), consisting of the following:

(A) refunding the Series 2007B Bonds issued by the Dormitory Authority of the State of New York ("Authority") designated Health Quest Systems, Inc. Obligated Group Revenue Bonds, Series 2007B (the "Series 2007B Bonds"), issued in the aggregate principal amount of \$47,300,000, with an approximate balance remaining of \$38,650,000, the proceeds of which Series 2007B Bonds were used for refinancing certain costs of the following (1)(A) the construction of approximately 14,300 square feet of additional space for a new operating room and maternity unit completed in 1997 and 2000 respectively, and (B) the construction of a 3-story addition to the hospital consisting of 53,514 square feet for the relocation of the 10-bed rehabilitation unit, an additional operating room, relocation of the ambulatory surgery services, physical therapy and emergency department, as well as physician offices completed in 2005, and (C) the financing of the acquisition of medical service equipment, in each case to be located at, and owned and operated by, the Northern Dutchess Hospital, 6511 Springbrook Avenue, Rhinebeck, Dutchess County, New York, and (2)(A) the construction of a new 5-floor building of approximately 113,500 square feet, to house (i) 70 new medical surgical beds, (ii) therapeutic external radiation oncology services (including the acquisition of a new linear accelerator) and (iii) cardiology services; (B) the expansion of the existing parking lot by approximately 445 spaces, and (C) the financing of the acquisition of medical service equipment, in each case to be located at, and owned and operated by, the Putnam Health Center, 670 Stoneleigh Avenue, Carmel, Putnam County, New York 10512; and (3) the financing of the acquisition of medical service equipment, in each case to be located at, and owned and operated by, Vassar Brothers Medical Center, 45 Reade Place, Dutchess County, Poughkeepsie, NY 12601 (collectively, the "2016Project" or "Project"); and

(B) the paying of all or a portion of the costs incidental to the issuance of the Series 2016 Bonds, including issuance costs of the Series 2016 Bonds and any reserve funds as may be necessary to secure the Series 2016 Bonds; and

The maximum aggregate principal amount of the Bonds is \$50,000,000, with the maximum aggregate principal amount of the Bonds for facilities in Dutchess County is \$20,000,000 (\$15,000,000 at Northern Dutchess Hospital and \$5,000,000 at Vassar Brothers Medical Center), and the maximum aggregate principal amount of the Bonds for facilities in Putnam County is \$30,000,000. The Issuer is considering whether (a) to undertake the Project, (b) to finance the Project by issuing, from time to time, the Bonds, (c) to loan the proceeds of the Bonds to the Corporation to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, and (d) to provide certain exemptions from taxation with respect to the Project, including a potential exemption from mortgage recording taxes with respect

to any documents recorded by the Issuer with respect to the Project in the office of the County Clerk of Dutchess County, New York or elsewhere; and

WHEREAS, the Corporation has requested that interest on the Bonds be treated by the federal government as excludable from gross income for federal income tax purposes pursuant to Section 103 and Section 145(a) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the Honorable Marcus J. Molinaro, the County Executive of Dutchess County, New York (the "County Executive") has been advised by the Issuer that the Issuer proposes to issue, subsequent to the execution of this certificate, the Bonds from time to time in a principal amount presently estimated to be approximately \$50,000,000 and in any event not to exceed \$55,000,000, sufficient to fund all or a portion of the costs of the Project; and

WHEREAS, interest on the Bonds will not be excludable from gross income for federal income tax purposes unless, among other things, pursuant to Section 147(f) of the Code, the issuance of the Bonds is approved by the "applicable elected representative" of Dutchess County, New York, after the Issuer has held a public hearing on the nature and location of the Project and the issuance of the Bonds; and

WHEREAS, in response to the receipt by the Issuer of the Application, the Chairman of the Issuer (A) caused notice of a public hearing of the Issuer (the "Public Hearing") pursuant to Section 147(f) of the Code to hear all persons interested in the Project and the financial assistance being contemplated by the Issuer with respect to the Project, to be published on December 27, 2015 in the *Poughkeepsie Journal*, a newspaper of general circulation available to the residents of Dutchess County, New York and the City of Poughkeepsie, New York and Village of Rhinebeck, New York, (B) caused notice of the Public Hearing to be mailed on December 28, 2015 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is (or will be) located, (C) conducted the Public Hearing in the City of Poughkeepsie, the County seat, on January 11, 2016 at 9:30 a.m., local time, at the Dutchess County Legislative Chambers, 22 Market Street, 6th Floor, Poughkeepsie, New York; and (D) caused a transcript report of the Public Hearing to be made (the "Public Hearing Reports") which fairly reported the views presented at such Public Hearings and caused a copy of said Public Hearing Report to be made available to the members of the board of directors of the Issuer and to the County Executive of Dutchess County, New York; and

WHEREAS, in response to the receipt by the Issuer of the Application, the Chairman of the Issuer (A) caused notice of a public hearing of the Issuer (the "Public Hearing") pursuant to Section 147(f) of the Code to hear all persons interested in the Project and the financial assistance being contemplated by the Issuer with respect to the Project, to be published as follows: on November 30, 2015 in the *Putnam County Press*, a newspaper of general circulation available to the residents of Putnam County, New York, and the Town of Carmel, New York; on December 2, 2015 in the *Putnam County News and Recorder*, a newspaper of general circulation available to the residents of Putnam County, New York, and the Town of Carmel, New York; and on December 3, 2015 in the *Putnam County Courier*, a newspaper of general circulation available

to the residents of Putnam County, New York, and the Town of Carmel, New York, (B) caused notice of the Public Hearing to be mailed on November 25, 2015 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is (or will be) located, (C) conducted the Public Hearing in the Town of Carmel, the county seat, on December 14, 2015 at 11:30 a.m., local time, at Putnam Hospital Center, Conference Room 2, 670 Stoneleigh Avenue, Carmel, New York; and (D) caused a transcript report of the Public Hearing to be made (the "Public Hearing Reports") which fairly reported the views presented at such Public Hearings and caused a copy of said Public Hearing Report to be made available to the members of the board of directors of the Issuer and to the County Executive of Putnam County, New York; and

WHEREAS, pursuant to Section 147(f) of the Code, the County Executive desires to allow the interest on the Bonds to be treated as excludable from gross income for federal income purposes.

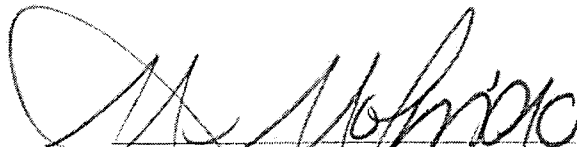
NOW, THEREFORE, the undersigned County Executive of Dutchess County, New York, determines as follows:

Section 1. For the sole purpose of qualifying the interest payable on the Bonds for exclusion from gross income for federal income purposes pursuant to the provisions of Sections 103 and 145(a) of the Code, the County Executive, as the elected chief executive officer of Dutchess County, New York, hereby approves the issuance by the Issuer of the Bonds in the principal amount presently estimated to be approximately \$50,000,000 but in any event not to exceed \$55,000,000 with the approximate amount of the Bonds being used in Dutchess County presently estimated to be \$20,000,000 (\$15,000,000 at Northern Dutchess Hospital and \$5,000,000 at Vassar Brothers Medical Center), provided that the Bonds, and the premium (if any) and interest thereon, shall be special Bonds of the Issuer and shall never be a debt of the State of New York, Dutchess County, New York; or any political subdivision thereof (other than the Issuer), and neither the State of New York, Dutchess County, New York, nor any political subdivision thereof (other than the Issuer) shall be liable thereon.

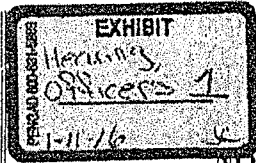
Section 2. The County Executive of Dutchess hereby requests the Issuer to issue the Bonds on behalf of Heath Quest Systems, Inc.

Section 3. This certificate shall take effect immediately.

IN WITNESS WHEREOF, I have hereunto set my hand this ¹⁴15 day of January, 2016.



Honorable Marcus J. Molinaro
County Executive of Dutchess County, New York



**NOTICE OF PUBLIC HEARING ON PROPOSED PROJECT
AND FINANCIAL ASSISTANCE RELATING THERETO**

NOTICE IS HEREBY GIVEN that a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") will be held by the Dutchess County Local Development Corporation (the "Issuer") on behalf of and at the request of Dutchess County on the 11th day of January, 2016 at 9:30 o'clock a.m., local time, at the Dutchess County Legislature Chambers, 6th Floor, 22 Market Street, Poughkeepsie, New York 12601, in connection with the following matters:

HEALTH QUEST SYSTEMS, INC., a New York not-for-profit corporation (the "Corporation"), has submitted an application to the Issuer, a copy of which application is on file at the office of the Issuer, which application requested that the Issuer consider undertaking a project for the benefit of the Corporation or the Corporation's member hospitals, Vassar Brothers Medical Center in Dutchess County, Northern Dutchess Hospital in Dutchess County, and Putnam Hospital Center in Putnam County, all of which are organizations described in Section 501(c)(3) of the Code (collectively, the "Member Hospitals"), consisting of the following:

(A) refunding the Series 2007B Bonds issued by the Dormitory Authority of the State of New York ("Authority") designated Health Quest Systems, Inc. Obligated Group Revenue Bonds, Series 2007B (the "**Series 2007B Bonds**"), issued in the aggregate principal amount of \$47,300,000, with an approximate balance remaining of \$38,650,000, the proceeds of which Series 2007B Bonds were used for refinancing certain costs of the following (1)(A) the construction of approximately 14,300 square feet of additional space for a new operating room and maternity unit completed in 1997 and 2000 respectively, and (B) the construction of a 3-story addition to the hospital consisting of 53,514 square feet for the relocation of the 10-bed rehabilitation unit, an additional operating room, relocation of the ambulatory surgery services, physical therapy and emergency department, as well as physician offices completed in 2005, and (C) the financing of the acquisition of medical service equipment, in each case to be located at, and owned and operated by, the Northern Dutchess Hospital, 6511 Springbrook Avenue, Rhinebeck, Dutchess County, New York, and (2)(A) the construction of a new 5-floor building of approximately 113,500 square feet, to house (i) 70 new medical surgical beds, (ii) therapeutic external radiation oncology services (including the acquisition of a new linear accelerator) and (iii) cardiology services; (B) the expansion of the existing parking lot by approximately 445 spaces, and (C) the financing of the acquisition of medical service equipment, in each case to be located at, and owned and operated by, the Putnam Health Center, 670 Stoneleigh Avenue, Carmel, Putnam County, New York 10512; and (3) the financing of the acquisition of medical service equipment, in each case to be located at, and owned and operated by, Vassar Brothers Medical Center, 45 Reade Place, Dutchess County, Poughkeepsie, NY 12601 (collectively, the "**2016Project**" or "**Project**"); and

(B) the paying of all or a portion of the costs incidental to the issuance of the Series 2016 Bonds, including issuance costs of the Series 2016 Bonds and any reserve funds as may be necessary to secure the Series 2016 Bonds; and

The maximum aggregate principal amount of the Bonds is \$50,000,000, with the maximum aggregate principal amount of the Bonds for facilities in Dutchess County is \$20,000,000 (\$15,000,000 at Northern Dutchess Hospital and \$5,000,000 at Vassar Brothers

CAPPILLINO &
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Attorneys at Law
Seven Broad Street
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Medical Center), and the maximum aggregate principal amount of the Bonds for facilities in Putnam County is \$30,000,000. The Issuer is considering whether (a) to undertake the Project, (b) to finance the Project by issuing, from time to time, the Bonds, (c) to loan the proceeds of the Bonds to the Corporation to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, and (d) to provide certain exemptions from taxation with respect to the Project, including a potential exemption from mortgage recording taxes with respect to any documents recorded by the Issuer with respect to the Project in the office of the County Clerk of Dutchess County, New York or elsewhere.

If issuance of the Bonds is approved, interest on a portion of the Bonds will not be excludable from gross income for federal income tax purposes unless (a) pursuant to Section 147(f) of the Code and the regulations of the United States Treasury Department thereunder (the "Treasury Regulations") the issuance of such Bonds is approved by the County Executives of both Dutchess County and Putnam County, New York after a public hearing on the nature and location of the Project and the issuance of such Bonds has been held in Dutchess County and Putnam County, respectively; and (b) pursuant to Section 145(a) of the Code, all property which is to be provided by the net proceeds of the Bonds is to be owned by a Section 501(c)(3) organization or a governmental unit and at least ninety-five percent (95%) of the net proceeds of the Bonds are used with respect to (1) governmental units and/or (2) the activities of Section 501(c)(3) organizations which do not constitute "unrelated trades or businesses" (as defined in Section 513(a) of the Code) with respect to such Section 501(c)(3) organizations.

If the Issuer determines to proceed with the Project and the issuance of the Bonds, (a) interest on the Bonds will be excluded from gross income for federal income tax purposes pursuant to Sections 103 and 145 of the Code, as applicable, (b) the Project will be financed with the Bonds, (c) the proceeds of the Bonds will be loaned by the Issuer to the Corporation or its designee pursuant to a Loan Agreement (the "Agreement") requiring that the Corporation or its designee make payments equal to debt service on the Bonds and make certain other payments, and (d) the Bonds will be a special obligation of the Issuer payable solely out of certain of the proceeds of the Agreement and certain other assets of the Issuer pledged to the repayment of the Bonds. **THE BONDS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR OF THE COUNTY OF DUTCHESS, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR THE COUNTY OF DUTCHESS, NEW YORK SHALL BE LIABLE THEREON.**

The Issuer has not completed its review of the Project 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").

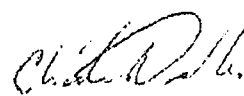
The Issuer will at said time and place hear all persons with views on the location and nature of the proposed Project, the Financial Assistance being contemplated by the Issuer in connection with the proposed Project, or the proposed plan of financing of the Project through the issuance from time to time of the Bonds. A copy of the Application filed by the Corporation with respect to the Project is available for public inspection during normal business hours at the office of the Issuer. A transcript or summary report of the hearing will be made available to the County

Executive of Putnam County, New York. Approval of the issuance of the Bonds by the County Executives of Dutchess County and Putnam County, New York is necessary in order for the interest on a portion of the Bonds to qualify for exemption from federal income taxation.

Additional information can be obtained from, and written comments may be addressed to: Sarah Lee, Chief Executive Officer, Dutchess County Local Development Corporation, Three Neptune Road, Poughkeepsie, New York 12601; Telephone: (845) 463-5400.

Dated: Poughkeepsie, New York
December 23, 2015

DUTCHESS COUNTY LOCAL
DEVELOPMENT CORPORATION



By: _____
Charles Daniels III, Chairman

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BY THE
DUTCHESS COUNTY LOCAL
DEVELOPMENT CORPORATION
P.O. BOX 100
POUGHKEEPSIE, NY 12601
(845) 463-5400
www.dcldc.com

AFFIDAVIT OF PUBLICATION
FROM



Rebecca Del Gaizo being duly sworn says that he/she is the principal clerk of THE
POUGHKEEPSIE JOURNAL, a newspaper published in the County of Dutchess and the State of New York, and the
notice of which the annexed is a printed copy, was published in the newspaper on the date (s) below:

Zone:

Run Dates:
12/27/15

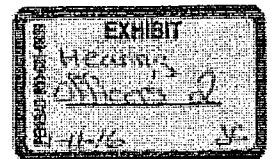
Rebecca Del Gaizo
Signature

Sworn to before me, this 28th day of December 2015

[Signature]
Notary Signature

CONCETTA F DALIA-JONES
NOTARY PUBLIC-STATE OF NEW YORK
No. 01DA6285485
Qualified in Dutchess County
My Commission Expires July 08, 2017

Ad Number: 0000948641



NOTICE OF PUBLIC HEARING ON PROPOSED PROJECT
AND FINANCIAL ASSISTANCE RELATING THERETO

NOTICE IS HEREBY GIVEN that a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") will be held by the Dutchess County Local Development Corporation (the "Issuer") on behalf of and at the request of Dutchess County on the 11th day of January, 2016 at 9:30 o'clock a.m., local time, at the Dutchess County Legislature Chambers, 6th Floor, 22 Market Street, Poughkeepsie, New York 12601, in connection with the following matters:

HEALTH QUEST SYSTEMS, INC., a New York not-for-profit corporation (the "Corporation"), has submitted an application to the Issuer, a copy of which application is on file at the office of the Issuer, which application requested that the Issuer consider undertaking a project for the benefit of the Corporation or the Corporation's member hospitals, Vassar Brothers Medical Center in Dutchess County, Northern Dutchess Hospital in Dutchess County, and Putnam Hospital Center in Putnam County, all of which are organizations described in Section 501(c)(3) of the Code (collectively, the "Member Hospitals"), consisting of the following:

(A) refunding the Series 2007B Bonds issued by the Dormitory Authority of the State of New York ("Authority") designated Health Quest Systems, Inc. Obligated Group Revenue Bonds, Series 2007B (the "Series 2007B Bonds"), issued in the aggregate principal amount of \$47,300,000, with an approximate balance remaining of \$38,650,000, the proceeds of which Series 2007B Bonds were used for refinancing certain costs of the following (1)(A) the construction of approximately 14,300 square feet of additional space for a new operating room and maternity unit completed in 1997 and 2000 respectively, and (B) the construction of a 3-story addition to the hospital consisting of 53,514 square feet for the relocation of the 10-bed rehabilitation unit, an additional operating room, relocation of the ambulatory surgery services, physical therapy and emergency department, as well as physician offices completed in 2005, and (C) the financing of the acquisition of medical service equipment, in each case to be located at, and owned and operated by, the Northern Dutchess Hospital, 6511 Springbrook Avenue, Rhinebeck, Dutchess County, New York, and (2)(A) the construction of a new 5-floor building of approximately 113,500 square feet, to house (i) 70 new medical surgical beds, (ii) therapeutic external radiation oncology services (including the acquisition of a new linear accelerator) and (iii) cardiology services; (B) the expansion of the existing parking lot by approximately 445 spaces, and (C) the financing of the acquisition of medical service equipment, in each case to be located at, and owned and operated by, the Putnam Health Center, 670 Stoneleigh Avenue, Carmel, Putnam County, New York 10512; and (3) the financing of the acquisition of medical service equipment, in each case to be located at, and owned and operated by, Vassar Brothers Medical Center, 45 Reade Place, Dutchess County, Poughkeepsie, NY 12601 (collectively, the "2016Project" or "Project"); and

(B) the paying of all or a portion of the costs incidental to the issuance of the Series 2016 Bonds, including issuance costs of the Series 2016 Bonds and any reserve funds as may be necessary to secure the Series 2016 Bonds; and

The maximum aggregate principal amount of the Bonds is \$50,000,000, with the maximum aggregate principal amount of the Bonds for facilities in Dutchess County is \$20,000,000 (\$15,000,000 at Northern Dutchess Hospital and \$5,000,000 at Vassar Brothers Medical Center), and the maximum aggregate principal amount of the Bonds for facilities in Putnam County is \$30,000,000. The Issuer is considering whether (a) to undertake the Project, (b) to finance the Project by issuing, from time to time, the Bonds, (c) to loan the proceeds of the Bonds to the Corporation to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, and (d) to provide certain exemptions from taxation with respect to the Project, including a potential exemption from mortgage recording taxes with respect to any documents recorded by the Issuer with respect to the Project in the office of the County Clerk of Dutchess County, New York or elsewhere.

If issuance of the Bonds is approved, interest on a portion of the Bonds will not be excludable from gross income for federal income tax purposes unless (a) pursuant to Section 147(f) of the Code and the regulations of the United States Treasury Department thereunder (the "Treasury Regulations") the issuance of such Bonds

is approved by the County Executives of both Dutchess County and Putnam County, New York after a public hearing on the nature and location of the Project and the issuance of such Bonds has been held in Dutchess County and Putnam County, respectively; and (b) pursuant to Section 145(a) of the Code, all property which is to be provided by the net proceeds of the Bonds is to be owned by a Section 501(c)(3) organization or a governmental unit and at least ninety-five percent (95%) of the net proceeds of the Bonds are used with respect to (1) governmental units and/or (2) the activities of Section 501(c)(3) organizations which do not constitute "unrelated trades or businesses" (as defined in Section 513(a) of the Code) with respect to such Section 501(c)(3) organizations.

If the Issuer determines to proceed with the Project and the issuance of the Bonds, (a) interest on the Bonds will be excluded from gross income for federal income tax purposes pursuant to Sections 103 and 145 of the Code, as applicable, (b) the Project will be financed with the Bonds, (c) the proceeds of the Bonds will be loaned by the Issuer to the Corporation or its designee pursuant to a Loan Agreement (the "Agreement") requiring that the Corporation or its designee make payments equal to debt service on the Bonds and make certain other payments, and (d) the Bonds will be a special obligation of the Issuer payable solely out of certain of the proceeds of the Agreement and certain other assets of the Issuer pledged to the repayment of the Bonds. THE BONDS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR OF THE COUNTY OF DUTCHESS, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR THE COUNTY OF DUTCHESS, NEW YORK SHALL BE LIABLE THEREON.

The Issuer has not completed its review of the Project pursuant to Article B 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, "SEORA").

The Issuer will at said time and place hear all persons with views on the location and nature of the proposed Project, the Financial Assistance being contemplated by the Issuer in connection with the proposed Project, or the proposed plan of financing of the Project through the issuance from time to time of the Bonds. A copy of the Application filed by the Corporation with respect to the Project is available for public inspection during normal business hours at the office of the Issuer. A transcript or summary report of the hearing will be made available to the County Executive of Putnam County, New York. Approval of the issuance of the Bonds by the County Executives of Dutchess County and Putnam County, New York is necessary in order for the interest on a portion of the Bonds to qualify for exemption from federal income taxation.

Additional information can be obtained from, and written comments may be addressed to: Sarah Lee, Chief Executive Officer, Dutchess County Local Development Corporation, Three Neptune Road, Poughkeepsie, New York 12601; Telephone: (845) 463-5400.

Dated: Poughkeepsie, New York
December 23, 2015

DUTCHESS COUNTY LOCAL
DEVELOPMENT CORPORATION

By: /s/ Charles Daniels III
Charles Daniels III, Chairman
948641

STATE OF NEW YORK, COUNTY OF DUTCHESS) ss.:

HOLLY A. HOFFNER, being duly sworn, deposes and says:

1. I am not a party to this action, am over eighteen (18) years of age, and reside at Pawling, New York.

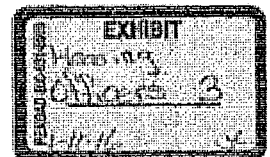
2. On December 28, 2015, I served a true copy of the Notice of Public Hearing attached hereto as Exhibit A by mailing the same in a sealed envelope, with postage prepaid thereon, in a post-office or official depository of the U.S. Postal Service within the State of New York, addressed to the last known address of the addressee as indicated below:

Honorable John Tkazyik
Mayor, City of Poughkeepsie
Municipal Building
62 Civic Center Plaza
Poughkeepsie, New York 12601

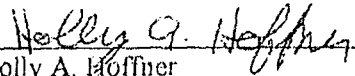
Dr. Nicole Williams
Superintendent of Schools
Poughkeepsie City School District
Jane Bolin Administration Building
11 College Avenue
Poughkeepsie, New York 12603

Honorable Heath Tortarella
Village of Rhinebeck Mayor
76 East Market Street
Rhinebeck, New York 12572

Mr. Joseph Phelan
Superintendent of Schools
Rhinebeck Central School District
45 North Park Road
P.O. Box 351
Rhinebeck, New York 12572

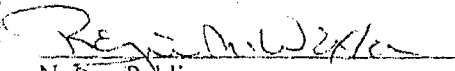


Honorable Marcus J. Molinaro
Dutchess County Executive
County Office Building
22 Market Street
6th Floor
Poughkeepsie, New York 12601



Holly A. Hoffner

Sworn to before me this
30th day of December, 2015.



Notary Public

REGINA M. WEXLER
Notary Public, State of New York
No. 49-14513
Qualified in Westchester County
Commission Expires Nov. 21, 2018

EXHIBIT A

**NOTICE OF PUBLIC HEARING ON PROPOSED PROJECT
AND FINANCIAL ASSISTANCE RELATING THERETO**

NOTICE IS HEREBY GIVEN that a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") will be held by the Dutchess County Local Development Corporation (the "Issuer") on behalf of and at the request of Dutchess County on the 11th day of January, 2016 at 9:30 o'clock a.m., local time, at the Dutchess County Legislature Chambers, 6th Floor, 22 Market Street, Poughkeepsie, New York 12601, in connection with the following matters:

HEALTH QUEST SYSTEMS, INC., a New York not-for-profit corporation (the "Corporation"), has submitted an application to the Issuer, a copy of which application is on file at the office of the Issuer, which application requested that the Issuer consider undertaking a project for the benefit of the Corporation or the Corporation's member hospitals, Vassar Brothers Medical Center in Dutchess County, Northern Dutchess Hospital in Dutchess County, and Putnam Hospital Center in Putnam County, all of which are organizations described in Section 501(c)(3) of the Code (collectively, the "Member Hospitals"), consisting of the following:

(A) refunding the Series 2007B Bonds issued by the Dormitory Authority of the State of New York ("Authority") designated Health Quest Systems, Inc. Obligated Group Revenue Bonds, Series 2007B (the "Series 2007B Bonds"), issued in the aggregate principal amount of \$47,300,000, with an approximate balance remaining of \$38,650,000, the proceeds of which Series 2007B Bonds were used for refinancing certain costs of the following (1)(A) the construction of approximately 14,300 square feet of additional space for a new operating room and maternity unit completed in 1997 and 2000 respectively, and (B) the construction of a 3-story addition to the hospital consisting of 53,514 square feet for the relocation of the 10-bed rehabilitation unit, an additional operating room, relocation of the ambulatory surgery services, physical therapy and emergency department, as well as physician offices completed in 2005, and (C) the financing of the acquisition of medical service equipment, in each case to be located at, and owned and operated by, the Northern Dutchess Hospital, 6511 Springbrook Avenue, Rhinebeck, Dutchess County, New York, and (2)(A) the construction of a new 5-floor building of approximately 113,500 square feet, to house (i) 70 new medical surgical beds, (ii) therapeutic external radiation oncology services (including the acquisition of a new linear accelerator) and (iii) cardiology services; (B) the expansion of the existing parking lot by approximately 445 spaces, and (C) the financing of the acquisition of medical service equipment, in each case to be located at, and owned and operated by, the Putnam Health Center, 670 Stoneleigh Avenue, Carmel, Putnam County, New York 10512; and (3) the financing of the acquisition of medical service equipment, in each case to be located at, and owned and operated by, Vassar Brothers Medical Center, 45 Reade Place, Dutchess County, Poughkeepsie, NY 12601 (collectively, the "2016 Project" or "Project"); and

(B) the paying of all or a portion of the costs incidental to the issuance of the Series 2016 Bonds, including issuance costs of the Series 2016 Bonds and any reserve funds as may be necessary to secure the Series 2016 Bonds; and

The maximum aggregate principal amount of the Bonds is \$50,000,000, with the maximum aggregate principal amount of the Bonds for facilities in Dutchess County is \$20,000,000 (\$15,000,000 at Northern Dutchess Hospital and \$5,000,000 at Vassar Brothers

CAPPILINO &
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Seven Broad Street
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Medical Center), and the maximum aggregate principal amount of the Bonds for facilities in Putnam County is \$30,000,000. The Issuer is considering whether (a) to undertake the Project, (b) to finance the Project by issuing, from time to time, the Bonds, (c) to loan the proceeds of the Bonds to the Corporation to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, and (d) to provide certain exemptions from taxation with respect to the Project, including a potential exemption from mortgage recording taxes with respect to any documents recorded by the Issuer with respect to the Project in the office of the County Clerk of Dutchess County, New York or elsewhere.

If issuance of the Bonds is approved, interest on a portion of the Bonds will not be excludable from gross income for federal income tax purposes unless (a) pursuant to Section 147(f) of the Code and the regulations of the United States Treasury Department thereunder (the "Treasury Regulations") the issuance of such Bonds is approved by the County Executives of both Dutchess County and Putnam County, New York after a public hearing on the nature and location of the Project and the issuance of such Bonds has been held in Dutchess County and Putnam County, respectively; and (b) pursuant to Section 145(a) of the Code, all property which is to be provided by the net proceeds of the Bonds is to be owned by a Section 501(c)(3) organization or a governmental unit and at least ninety-five percent (95%) of the net proceeds of the Bonds are used with respect to (1) governmental units and/or (2) the activities of Section 501(c)(3) organizations which do not constitute "unrelated trades or businesses" (as defined in Section 513(a) of the Code) with respect to such Section 501(c)(3) organizations.

If the Issuer determines to proceed with the Project and the issuance of the Bonds, (a) interest on the Bonds will be excluded from gross income for federal income tax purposes pursuant to Sections 103 and 145 of the Code, as applicable; (b) the Project will be financed with the Bonds, (c) the proceeds of the Bonds will be loaned by the Issuer to the Corporation or its designee pursuant to a Loan Agreement (the "Agreement") requiring that the Corporation or its designee make payments equal to debt service on the Bonds and make certain other payments, and (d) the Bonds will be a special obligation of the Issuer payable solely out of certain of the proceeds of the Agreement and certain other assets of the Issuer pledged to the repayment of the Bonds. **THE BONDS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR OF THE COUNTY OF DUTCHESS, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR THE COUNTY OF DUTCHESS, NEW YORK SHALL BE LIABLE THEREON.**

The Issuer has not completed its review of the Project 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").

The Issuer will at said time and place hear all persons with views on the location and nature of the proposed Project, the Financial Assistance being contemplated by the Issuer in connection with the proposed Project, or the proposed plan of financing of the Project through the issuance from time to time of the Bonds. A copy of the Application filed by the Corporation with respect to the Project is available for public inspection during normal business hours at the office of the Issuer. A transcript or summary report of the hearing will be made available to the County

Executive of Putnam County, New York. Approval of the issuance of the Bonds by the County Executives of Dutchess County and Putnam County, New York is necessary in order for the interest on a portion of the Bonds to qualify for exemption from federal income taxation.

Additional information can be obtained from, and written comments may be addressed to: Sarah Lee, Chief Executive Officer, Dutchess County Local Development Corporation, Three Neptune Road, Poughkeepsie, New York 12601; Telephone: (845) 463-5400.

Dated: Poughkeepsie, New York
December 23, 2015

DUTCHESS COUNTY LOCAL
DEVELOPMENT CORPORATION

By: /s/ CHARLES DANIELS III
Charles Daniels III, Chairman

CAPPELLINO &
ROTHSCHILD LLP
Attorneys at Law
Seven Broad Street
P.O. Box 390
Poughkeepsie, New York
12564-0390
(845) 855-5444



COUNTY OF DUTCHESS

MARCUS J. MOLINARO
COUNTY EXECUTIVE

December 28, 2015

Charles Daniels III, Chairman
Dutchess County Local Development Corporation
Three Neptune Road
Poughkeepsie, New York 12601

Re: HealthQuest Systems Series 2015 Bond Issue

Dear Mr. Daniels:

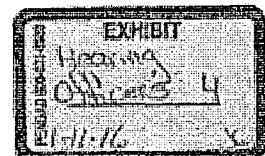
The undersigned, as County Executive of Dutchess County in connection with the above financing, hereby authorizes the Dutchess County Local Development Corporation ("DC LDC") to conduct a public hearing at the Dutchess County Legislature Chambers, 22 Market Street, 6th Floor, Poughkeepsie, New York on January 11, 2016 at 9:30 a.m. This hearing is pursuant to Section 147 of the Internal Revenue Code.

In addition, you are hereby authorized to designate Donald Cappillino, counsel to the DC LDC, to conduct the hearing.

Very truly yours,


Marcus J. Molinaro
Dutchess County Executive

MJM/hah



DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION

December 28, 2015

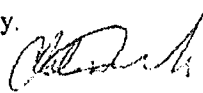
Donald Cappillino, Esq.
Cappillino & Rothschild LLP
Seven Broad Street
P.O. Box 390
Pawling, New York 12564-0390

Re: Dutchess County LDC with HealthQuest Systems, Inc.

Dear Mr. Cappillino:

Please be advised that pursuant to my authority as Chairman of the Dutchess County Local Development Corporation to set the public hearing in this matter, I hereby designate you as the hearing officer to conduct the required hearing pursuant to §859-a of the N.Y. General Municipal Law and §147 of the Internal Revenue Code. The hearing will be held at the Dutchess County Legislature Chambers, 22 Market Street, 6th Floor, Poughkeepsie, New York on January 11, 2016 at 9:30 a.m.

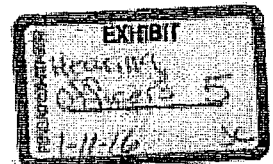
Sincerely,



Charles Daniels III
Chairman

CD/hah

3 Neptune Road, Poughkeepsie, NY 12601
Phone (845) 463-5400, Fax (845) 463-5401



COPY

STATE OF NEW YORK
COUNTY OF DUTCHESS

DUTCHESS COUNTY LOCAL DEVELOPMENT
CORPORATION RE: HEALTH QUEST SYSTEMS, INC.

DATED: January 11, 2016
Poughkeepsie, New York
9:35 a.m. - 9:42 a.m.

Jennifer Cea, Reporter

MINUTES
OF
PUBLIC HEARING

Mary T. Babiarz Court Reporting Service
(845) 471-2511

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APPEARANCES:

DONALD CAPPILLINO, Hearing Officer
7 Broad Street
Pawling, New York 12564

GARY ZMRHAL, Senior Vice President
Chief Financial Officer
Health Quest
1351 Route 55, Suite 200
LaGrangeville, New York 12540-5144

SARAH LEE, Chief Executive Officer
Dutchess County Local Development Corp.
3 Neptune Road
Poughkeepsie, New York 12601-5545

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PUBLIC HEARING
(NOTICE OF PUBLIC HEARING
RECEIVED AND MARKED AS
HEARING OFFICER'S EXHIBIT 1)

(AFFIDAVIT OF PUBLICATION RECEIVED
AND MARKED AS HEARING OFFICER'S
EXHIBIT 2)

(AFFIDAVIT OF HOLLY HOFFNER
RECEIVED AND MARKED AS HEARING
OFFICER'S EXHIBIT 3)

(LETTER OF MARCUS MOLINARO
DATED 12/28/15 RECEIVED AND
MARKED AS HEARING OFFICER'S
EXHIBIT 4)

(LETTER OF CHARLES DANIELS III
DATED 12/28/15 RECEIVED AND
MARKED AS HEARING OFFICER'S
EXHIBIT 5)

BY THE HEARING OFFICER: Good
morning, everyone. I'm here to open

PUBLIC HEARING

1
2 the public hearing in this matter.
3 Before the public hearing was opened,
4 I had Hearing Officer's Exhibit Number
5 1 marked into evidence by the
6 stenographer. Hearing officer's
7 Exhibit Number 1 is the Notice of
8 Public Hearing in this matter. I had
9 the stenographer mark as Hearing
10 Officer's Exhibit Number 2 in evidence
11 the December 28 affidavit of Rebecca
12 Del Gaiso of the Poughkeepsie Journal
13 indicating that the Notice of Public
14 Hearing was published in the
15 Poughkeepsie Journal on December 27,
16 2015. I had marked into evidence as
17 Hearing Officer's Exhibit Number 3,
18 the affidavit of Holly Hoffner
19 indicating that the Notice of Public
20 Hearing has been served on October 28,
21 2015 by mail upon the Mayor of the
22 City of Poughkeepsie, the
23 Superintendent of Schools of the
24 Poughkeepsie City School District, the
25 Village of Rhinebeck Mayor, the

PUBLIC HEARING

1
2 Superintendent of Schools of the
3 Rhinebeck Central School District and
4 the County Executive of Dutchess
5 County. I had marked as Hearing
6 Officer's Exhibit Number 4 in evidence
7 the December 28 letter of Marcus
8 Molinaro, Dutchess County Executive,
9 authorizing the conduct of this
10 hearing and authorizing me to act as
11 Hearing Officer in this matter. I had
12 marked as Hearing Officer's Exhibit
13 Number 5 in evidence the December 28,
14 2015 letter of Charles Daniels III,
15 the chairman of the Dutchess County
16 Local Development Corporation
17 authorizing me to conduct this public
18 hearing.

19 With that, I would ask each of
20 you to identify yourselves for the
21 record and I will open the public
22 hearing.

23 BY MR. ZMRHAL: Gary Zmrhal,
24 chief financial officer with Health
25 Quest.

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PUBLIC HEARING

BY MS. LEE: Sarah Lee, CEO of Dutchess County Local Development Corporation.

BY THE HEARING OFFICER: All right, I would like the record to indicate there is no other member of the public present. Mr. Zmrhal, do you have anything to say at this particular time?

BY MR. ZMRHAL: We appreciate the opportunity to have a meeting and certainly would be responsive to any questions that would arise. Other than that, I believe you have all the material related to our request.

BY THE HEARING OFFICER: We have received from Health Quest the employment numbers indicating that at Vassar Brothers Hospital you currently have 1,476 full-time workers, 283 part-time workers and 190 seasonal workers with a full time equivalent of 1,577 employees.

BY MR. ZMRHAL: Correct.

1 PUBLIC HEARING

2 BY THE HEARING OFFICER: And
3 that you currently have at Northern
4 Dutchess Hospital 291 full-time
5 employees, 101 part-time employees and
6 392 full time equivalence; is that
7 correct?

8 BY MR. ZMRHAL: Correct.

9 BY THE HEARING OFFICER: Since
10 this is a refinance of debt that you
11 already have with the Dormitory
12 Authority of the State of New York,
13 you're indicating that you need this
14 on a retention basis to keep
15 yourselves competitive in the industry
16 which you are engaged; is that
17 correct?

18 BY MR. ZMRHAL: Yes.

19 BY THE HEARING OFFICER: Do you
20 have anything further to add, Sarah?

21 BY MS. LEE: I just want to make
22 a correction, Don. I believe you
23 said 392, and on the application it is
24 372 full time equivalence for Northern
25 Dutchess Hospital.

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PUBLIC HEARING

BY THE HEARING OFFICER: Okay,
which did I say?

BY MS. LEE: 392.

BY THE HEARING OFFICER: And
you're saying it is 372?

BY MS. LEE: 372 for Northern
Dutchess Hospital, 291 full time, 101
part time for 372 full time
equivalence.

BY THE HEARING OFFICER: Off the
record.

(OFF THE RECORD DISCUSSION)

BY THE HEARING OFFICER: So to
clarify, it appears that on an earlier
version of the application, the total
full time equivalence at Northern
Dutchess Hospital was 392, but after
looking at the part time and making
them full time equivalence, that
number was reduced so that the total
full time equivalence including the
291 full-time employees equals 372.

PUBLIC HEARING

1
2 Other than that, is there anything
3 else to add? No matter what, it is a
4 large number of employees and I'm sure
5 it makes no real difference on this
6 application.

7 BY MS. LEE: I'd just like to
8 add, like I said at the hearing at
9 Putnam County, that we, the LDC is
10 very much looking forward to closing
11 on this deal with Health Quest and
12 helping them further their programming
13 and services at Health Quest.

14 BY MR. ZMRHAL: Thank you. I
15 appreciate that, the assistance.

16 BY THE HEARING OFFICER: Well,
17 it is now 9:42 and if there's nothing
18 further, I will close the public
19 hearing. Thank you.
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REPORTER'S CERTIFICATION

I hereby certify that the foregoing is a true and accurate copy of the Public Hearing Minutes recorded by me and reduced to transcript form.

x *Jennifer Cea*
JENNIFER CEA

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Divider

CERTIFICATE OF APPROVAL OF THE DUTCHESS COUNTY EXECUTIVE

APPROVING THE ISSUANCE OF CERTAIN OBLIGATIONS BY DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION TO FINANCE A CERTAIN PROJECT FOR HEALTH QUEST SYSTEMS, INC.

WHEREAS, pursuant to Section 1411 of the Not-for-Profit Corporation Law of the State of New York, as amended (the **"Enabling Act"**), Revenue Ruling 57-187 and Private Letter Ruling 200936012, the County Legislature of Dutchess County, New York (the **"County"**) adopted a resolution on April 12, 2010 (the **"Sponsor Resolution"**) (1) authorizing the incorporation of Dutchess County Local Development Corporation (the **"Issuer"**) under the Enabling Act, and (2) appointing the initial members of the Board of Directors of the Issuer; and

WHEREAS, in April, 2010, a Certificate of Incorporation was filed with the New York Secretary of State's Office (the **"Certificate of Incorporation"**) creating the Issuer as a public instrumentality of the County; and

WHEREAS, the Issuer is authorized and empowered by the provisions of the Enabling Act to relieve and reduce unemployment, promote and provide for additional and maximum employment, better and maintain job opportunities, and lessen the burdens of government and act in the public interest, and in carrying out the aforesaid purposes and in exercising the powers conferred in the Enabling Act, the Enabling Act declares that the Issuer will be performing essential governmental functions; and

WHEREAS, to accomplish its stated purposes, the Issuer is authorized and empowered under the Enabling Act to acquire real and personal property; to borrow money and issue negotiable bonds, notes and other obligations therefore; to lease, sell, mortgage or otherwise dispose of or encumber any of its real or personal property upon such terms as it may determine; and otherwise to carry out its corporate purposes in the territory in which the operations of the Issuer are principally to be conducted; and

WHEREAS, in April, 2016, Health Quest Systems, Inc. (the **"Institution"**), a duly organized and validly existing New York not-for-profit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the **"Code"**), which is exempt from federal income taxation pursuant to Section 501(a) of the Code, having an office at 1351 Route 55, Suite 200, LaGrangeville, New York 12540-5144, presented an application (the **"Application"**) to the Issuer, which Application requested that the Issuer issue its Tax-Exempt Revenue Bonds, Series 2016B (Health Quest Systems, Inc. Project) (the **"Series 2016B Bonds"**) for the benefit of the Institution and the Institution's member hospital, Vassar Brothers Medical Center (the **"Hospital"**). The Series 2016B Project (as hereinafter defined) will be owned and operated by the Hospital, will be located at the Hospital's campus located at 45 Reade Place, One Columbia Street and at property bounded by Livingston Street and Fox Street, all in Poughkeepsie, New York 12601 (the **"Campus"**) and will consist of the following:

(A) the demolition of an approximately 16,615 square foot building on the Campus and the construction, installation, equipping and furnishing of an approximately 696,440

square foot, 7 story building containing 264 private medical, surgical beds, 30 intensive care unit beds, a 66 bay emergency department, a 12 room operating room suite, a new receiving dock, helistop, expanded power plant, conference facilities, cafeteria and below grade parking;

(B) the renovation, installation, furnishing, equipping and improving of an existing 13,800 square foot space in the existing Hospital on the Campus for use as operating room supportive space, (primarily a waiting room and a post-acute care unit);

(C) funding capitalized interest on the Series 2016B Bonds;

(D) paying all or a portion of the costs incidental to the issuance of the Series 2016B Bonds, including issuance costs of the Series 2016B Bonds (collectively, paragraphs (A), (B), (C), and (D) shall be referred to herein as the “**Series 2016B Project**”).

The Issuer is considering whether (a) to undertake the Series 2016B Project, (b) to finance the Series 2016B Project by issuing, from time to time, the Series 2016B Bonds, (c) to loan the proceeds of the Series 2016B Bonds to the Institution to pay the cost of undertaking the Series 2016B Project, together with necessary incidental costs in connection therewith, and (d) to provide certain exemptions from taxation with respect to the Series 2016B Project, including a potential exemption from mortgage recording taxes with respect to any documents recorded by the Issuer with respect to the Series 2016B Project in the office of the County Clerk of Dutchess County, New York or elsewhere (collectively, the “**Financial Assistance**”).

WHEREAS, the Institution has requested that interest on the Series 2016B Bonds be treated by the federal government as excludable from gross income for federal income tax purposes pursuant to Section 103 and Section 145(a) of the Code; and

WHEREAS, the Honorable Marcus J. Molinaro, the County Executive of Dutchess County, New York (the “**County Executive**”) has been advised by the Issuer that the Issuer proposes to issue, subsequent to the execution of this certificate, the Series 2016B Bonds from time to time in a principal amount presently estimated to be approximately \$350,000,000 and in any event not to exceed \$385,000,000, sufficient to fund all or a portion of the costs of the Series 2016B Project; and

WHEREAS, interest on the Series 2016B Bonds will not be excludable from gross income for federal income tax purposes unless, among other things, pursuant to Section 147(f) of the Code, the issuance of the Series 2016B Bonds is approved by the “applicable elected representative” of Dutchess County, New York, after the Issuer has held a public hearing on the nature and location of the Series 2016B Project and the issuance of the Series 2016B Bonds; and

WHEREAS, in response to the receipt by the Issuer of the Application, the Chairman of the Issuer (A) caused notice of a public hearing of the Issuer (the “**Public Hearing**”) pursuant to Section 147(f) of the Code to hear all persons interested in the Series 2016B Project and the financial assistance being contemplated by the Issuer with respect to the Series 2016B Project, to be published on April 27, 2016 in the *Poughkeepsie Journal*, a newspaper of general circulation available to the residents of Dutchess County, New York and the City of Poughkeepsie, New York; (B) caused notice of the Public Hearing to be mailed on April 26, 2016 to the chief

executive officers of the county and of each city, town, village and school district in which the Project Facility is (or will be) located; (C) conducted the Public Hearing in the City of Poughkeepsie, the County seat, on May 12, 2016 at 10:00 a.m., local time, at the Dutchess County Legislative Chambers, 22 Market Street, 6th Floor, Poughkeepsie, New York; and (D) caused a transcript report of the Public Hearing to be made (the "Public Hearing Report") which fairly reported the views presented at such Public Hearing and caused a copy of said Public Hearing Report to be made available to the members of the board of directors of the Issuer and to the County Executive of Dutchess County, New York; and

WHEREAS, pursuant to Section 147(f) of the Code, the County Executive desires to allow the interest on the Series 2016B Bonds to be treated as excludable from gross income for federal income purposes.

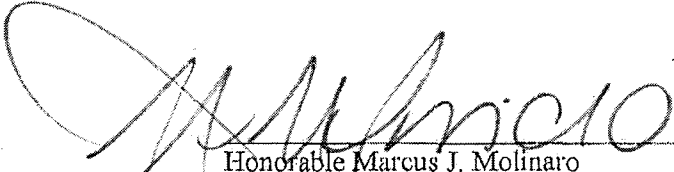
NOW, THEREFORE, the undersigned County Executive of Dutchess County, New York, determines as follows:

Section 1. For the sole purpose of qualifying the interest payable on the Series 2016B Bonds for exclusion from gross income for federal income purposes pursuant to the provisions of Sections 103 and 145(a) of the Code, the County Executive, as the elected chief executive officer of Dutchess County, New York, hereby approves the issuance by the Issuer of the Series 2016B Bonds in the principal amount presently estimated to be approximately \$350,000,000 but in any event not to exceed \$385,000,000, provided that the Series 2016B Bonds, and the premium (if any) and interest thereon, shall be special, limited bonds of the Issuer and shall never be a debt of the State of New York, Dutchess County, New York, or any political subdivision thereof (other than the Issuer), and neither the State of New York, Dutchess County, New York, nor any political subdivision thereof (other than the Issuer) shall be liable thereon.

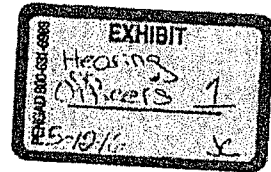
Section 2. The County Executive of Dutchess County, New York hereby requests the Issuer to issue the Series 2016B Bonds on behalf of Heath Quest Systems, Inc.

Section 3. This certificate shall take effect immediately.

IN WITNESS WHEREOF, I have hereunto set my hand this th 6 day of June, 2016.



Honorable Marcus J. Molinaro
County Executive of Dutchess County, New York



**NOTICE OF PUBLIC HEARING ON PROPOSED PROJECT
AND FINANCIAL ASSISTANCE RELATING THERETO**

NOTICE IS HEREBY GIVEN that a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), will be held by the Dutchess County Local Development Corporation (the "Issuer") on behalf of and at the request of Dutchess County on the 12th day of May, 2016 at 10:00 o'clock a.m., local time, at the Dutchess County Legislature Chambers, 6th Floor, 22 Market Street, Poughkeepsie, New York 12601, in connection with the following matters:

HEALTH QUEST SYSTEMS, INC., a New York not-for-profit corporation (the "Institution"), has submitted an application to the Issuer, a copy of which application is on file at the office of the Issuer, which application requested that the Issuer consider undertaking a Project (as defined below) for the benefit of the Institution and the Institution's member hospital, Vassar Brothers Medical Center (the "Hospital"), both of which are organizations described in Section 501(c)(3) of the Code; the Project will be owned and operated by the Hospital, will be located at the Hospital's campus located at 45 Reade Place, One Columbia Street and at property bounded by Livingston Street and Fox Street, all in Poughkeepsie, New York 12601 (the "Campus") and will consist of the following:

(A) the demolition of an approximately 16,615 square foot building on the Campus and the construction, installation, equipping and furnishing of an approximately 696,440 square foot, 7 story building containing 264 private medical, surgical beds, 30 intensive care unit beds, a 66 bay emergency department, a 12 room operating room suite, a new receiving dock, helistop, expanded power plant, conference facilities, cafeteria and below grade parking;

(B) the renovation, installation, furnishing, equipping and improving of an existing 13,800 square foot space in the existing Hospital on the Campus for use as operating room supportive space, (primarily a waiting room and a post-acute care unit);

(C) funding capitalized interest on the Bonds (as defined below);

(D) paying all or a portion of the costs incidental to the issuance of the Bonds, including issuance costs of the Bonds (collectively, paragraphs (A), (B), (C), and (D) shall be referred to herein as the "Project"); and

(E) the financing of all or a portion of the costs of the foregoing by the issuance of Tax-Exempt Revenue Bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, all at present estimated to be approximately \$350,000,000 and in any event not to exceed \$385,000,000 (the "Bonds").

The maximum aggregate principal amount of the Bonds is \$350,000,000, with the maximum aggregate principal amount of the Bonds for facilities in Dutchess County is \$385,000,000. The Issuer is considering whether (a) to undertake the Project, (b) to finance the Project by issuing, from time to time, the Bonds, (c) to loan the proceeds of the Bonds to the Institution to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, and (d) to provide certain exemptions from taxation with respect to the

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Attorneys at Law
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Project, including a potential exemption from mortgage recording taxes with respect to any documents recorded by the Issuer with respect to the Project in the office of the County Clerk of Dutchess County, New York or elsewhere (collectively, the "Financial Assistance").

If issuance of the Bonds is approved, interest on the Bonds will not be excludable from gross income for federal income tax purposes unless (a) pursuant to Section 147(f) of the Code and the regulations of the United States Treasury Department thereunder (the "Treasury Regulations") the issuance of such Bonds is approved by the County Executive of Dutchess County, New York after a public hearing on the nature and location of the Project and the issuance of such Bonds has been held in Dutchess County; and (b) pursuant to Section 145(a) of the Code, all property which is to be provided by the net proceeds of the Bonds is to be owned by a Section 501(c)(3) organization or a governmental unit and at least ninety-five percent (95%) of the net proceeds of the Bonds are used with respect to (1) governmental units and/or (2) the activities of Section 501(c)(3) organizations which do not constitute "unrelated trades or businesses" (as defined in Section 513(a) of the Code) with respect to such Section 501(c)(3) organizations.

If the Issuer determines to proceed with the Project and the issuance of the Bonds, (a) interest on the Bonds will be excluded from gross income for federal income tax purposes pursuant to Sections 103 and 145 of the Code, as applicable, (b) the Project will be financed with the Bonds, (c) the proceeds of the Bonds will be loaned by the Issuer to the Institution or its designee pursuant to a Loan Agreement (the "Agreement") requiring that the Institution or its designee make payments equal to debt service on the Bonds and make certain other payments, and (d) the Bonds will be a special obligation of the Issuer payable solely out of certain of the proceeds of the Agreement and certain other assets of the Issuer pledged to the repayment of the Bonds. **THE BONDS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR OF THE COUNTY OF DUTCHESS, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR THE COUNTY OF DUTCHESS, NEW YORK SHALL BE LIABLE THEREON.**

The Issuer has not completed its review of the Project 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").


The Issuer will at said time and place described above hear all persons with views on the location and nature of the proposed Project, the Financial Assistance being contemplated by the Issuer in connection with the proposed Project, or the proposed plan of financing of the Project through the issuance from time to time of the Bonds. A copy of the application filed by the Institution with respect to the Project is available for public inspection during normal business hours at the office of the Issuer. A transcript or summary report of the public hearing will be made available to the County Executive of Dutchess County, New York. Approval of the issuance of the Bonds by the County Executive of Dutchess County, New York is necessary in order for the interest on a portion of the Bonds to qualify for exemption from federal income taxation.

CAMPILINO &
ROTHSCHILD LLP
Attorneys at Law
Seven Broad Street
P.O. Box 390
Pawling, New York
12564-0390
(845) 855-5444

Additional information can be obtained from, and written comments may be addressed to: Sarah Lee, Chief Executive Officer, Dutchess County Local Development Corporation, Three Neptune Road, Poughkeepsie, New York 12601; Telephone: (845) 463-5400.

Dated: Poughkeepsie, New York
April 22, 2016

DUTCHESS COUNTY LOCAL
DEVELOPMENT CORPORATION

By: 
Charles Daniels III, Chairman

CAPPILINO &
ROTSCHILD LLP
Attorneys at Law
Seven Broad Street
P.O. Box 390
Pawling, New York
12564-0390
(845) 855-5444

AFFIDAVIT OF PUBLICATION
FROM



CECILIA HERNANDEZ

_____ being duly sworn says that he/she is the principal clerk of THE
POUGHKEEPSIE JOURNAL, a newspaper published in the County of Dutchess and the State of New York, and the
notice of which the annexed is a printed copy, was published in the newspaper on the date (s) below:

Zone:
Dutchess

Run Dates:
04/27/16

Cecilia Hernandez

Signature

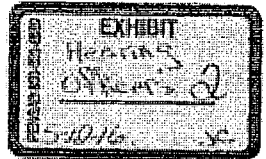
Sworn to before me, this 27th day of April 2016

Vilma Avelar

Notary Signature

Vilma Avelar
Notary Public State of New York
NO. 01AV6318411
Qualified in Westchester County
Commission Expires January 26, 2019

Ad Number: 0001226790



NOTICE OF PUBLIC HEARING ON PROPOSED PROJECT
AND FINANCIAL ASSISTANCE RELATING THERETO

NOTICE IS HEREBY GIVEN that a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), will be held by the Dutchess County Local Development Corporation (the "Issuer") on behalf of and at the request of Dutchess County on the 12th day of May, 2016 at 10:00 o'clock a.m., local time, at the Dutchess County Legislature Chambers, 6th Floor, 22 Market Street, Poughkeepsie, New York 12601, in connection with the following matters:

HEALTH QUEST SYSTEMS, INC., a New York not-for-profit corporation (the "Institution"), has submitted an application to the Issuer, a copy of which application is on file at the office of the Issuer, which application requested that the Issuer consider undertaking a Project (as defined below) for the benefit of the Institution and the Institution's member hospital, Vassar Brothers Medical Center (the "Hospital"), both of which are organizations described in Section 501(c)(3) of the Code; the Project will be owned and operated by the Hospital, will be located at the Hospital's campus located at 45 Reade Place, One Columbia Street and at property bounded by Livingston Street and Fox Street, all in Poughkeepsie, New York 12601 (the "Campus") and will consist of the following:

(A) the demolition of an approximately 16,615 square foot building on the Campus and the construction, installation, equipping and furnishing of an approximately 696,440 square foot, 7 story building containing 264 private medical, surgical beds, 30 intensive care unit beds, a 66 bay emergency department, a 12 room operating room suite, a new receiving dock, helistop, expanded power plant, conference facilities, cafeteria and below grade parking;

(B) the renovation, installation, furnishing, equipping and improving of an existing 13,800 square foot space in the existing Hospital on the Campus for use as operating room supportive space, (primarily a waiting room and a post-acute care unit);

(C) funding capitalized interest on the Bonds (as defined below);

(D) paying all or a portion of the costs incidental to the issuance of the Bonds, including issuance costs of the Bonds (collectively, paragraphs (A), (B), (C), and (D) shall be referred to herein as the "Project"); and

(E) the financing of all or a portion of the costs of the foregoing by the issuance of Tax-Exempt Revenue Bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, all at present estimated to be approximately \$350,000,000 and in any event not to exceed \$385,000,000 (the "Bonds").

The maximum aggregate principal amount of the Bonds is \$350,000,000, with the maximum aggregate principal amount of the Bonds for facilities in Dutchess County is \$385,000,000. The Issuer is considering whether (a) to undertake the Project, (b) to finance the Project by issuing, from time to time, the Bonds, (c) to loan the proceeds of the Bonds to the Institution to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, and (d) to provide certain exemptions from taxation with respect to the Project, including a potential exemption from mortgage recording taxes with respect to any documents recorded by the Issuer with respect to the Project in the office of the County Clerk of Dutchess County, New York or elsewhere (collectively, the "Financial Assistance").

If issuance of the Bonds is approved, interest on the Bonds will not be excludable from gross income for federal income tax purposes unless (a) pursuant to Section 147(f) of the Code and the regulations of the United States Treasury Department thereunder (the "Treasury Regulations") the issuance of such Bonds is approved by the County Executive of Dutchess County, New York after a public hearing on the nature and location of the Project and the issuance of such Bonds has been held in Dutchess County; and (b) pursuant to Section 145(a) of the Code, all property which is to be provided by the net proceeds of the Bonds is to be owned by a Section 501(c)(3) organization or a governmental unit and at least ninety-five percent (95%) of the net proceeds of the Bonds are used with respect to (1) governmental units and/or (2) the activities of Section 501(c)(3) organizations which do not constitute "unrelated trades or businesses" (as defined in Section 513(a) of the Code) with

respect to such Section 501(c)(3) organizations.

If the Issuer determines to proceed with the Project and the issuance of the Bonds, (a) interest on the Bonds will be excluded from gross income for federal income tax purposes pursuant to Sections 103 and 145 of the Code, as applicable, (b) the Project will be financed with the Bonds, (c) the proceeds of the Bonds will be loaned by the Issuer to the Institution or its designee pursuant to a Loan Agreement (the "Agreement") requiring that the Institution or its designee make payments equal to debt service on the Bonds and make certain other payments, and (d) the Bonds will be a special obligation of the issuer payable solely out of certain of the proceeds of the Agreement and certain other assets of the Issuer pledged to the repayment of the Bonds. THE BONDS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR OF THE COUNTY OF DUTCHESS, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR THE COUNTY OF DUTCHESS, NEW YORK SHALL BE LIABLE THEREON.

The Issuer has not completed its review of the Project 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").

The Issuer will at said time and place described above hear all persons with views on the location and nature of the proposed Project, the Financial Assistance being contemplated by the Issuer in connection with the proposed Project, or the proposed plan of financing of the Project through the issuance from time to time of the Bonds. A copy of the application filed by the Institution with respect to the Project is available for public inspection during normal business hours at the office of the Issuer. A transcript or summary report of the public hearing will be made available to the County Executive of Dutchess County, New York. Approval of the issuance of the Bonds by the County Executive of Dutchess County, New York is necessary in order for the interest on a portion of the Bonds to qualify for exemption from federal income taxation.

Additional information can be obtained from, and written comments may be addressed to: Sarah Lee, Chief Executive Officer, Dutchess County Local Development Corporation, Three Neptune Road, Poughkeepsie, New York 12601; Telephone: (845) 463-5400.

Dated: Poughkeepsie, New York
April 22, 2016

DUTCHESS COUNTY LOCAL
DEVELOPMENT CORPORATION

By: /s/ Charles Daniels III
Charles Daniels III, Chairman
1226790

STATE OF NEW YORK, COUNTY OF DUTCHESS) ss.:

HOLLY A. HOFFNER, being duly sworn, deposes and says:

1. I am not a party to this action, am over eighteen (18) years of age, and reside at Pawling, New York.

2. On April 26, 2016, I served a true copy of the Notice of Public Hearing attached hereto as Exhibit A by mailing the same in a sealed envelope, with postage prepaid thereon, in a post-office or official depository of the U.S. Postal Service within the State of New York, addressed to the last known address of the addressee as indicated below:

Honorable Rob Rolison
Mayor, City of Poughkeepsie
Municipal Building
62 Civic Center Plaza
Poughkeepsie, New York 12601

Dr. Nicole Williams
Superintendent of Schools
Poughkeepsie City School District
Jane Bolin Administration Building
11 College Avenue
Poughkeepsie, New York 12603

Honorable Marcus J. Molinaro
Dutchess County Executive
County Office Building
22 Market Street
6th Floor
Poughkeepsie, New York 12601

Holly A. Hoffner
Holly A. Hoffner

Sworn to before me this
26th day of April, 2016.

Regina M. Wexler
Notary Public

CAPPILINO &
ROTHSCHILD LLP
Attorneys at Law
Seven Broad Street
P.O. Box 390
Pawling, New York
12564-0390
(845) 855-5444

Page 1 of 1
REGINA M. WEXLER
Notary Public, State of New York
No. 01WE4944513
Qualified in Dutchess County
Commission Expires 11/21/2018

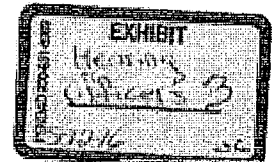


EXHIBIT A

**NOTICE OF PUBLIC HEARING ON PROPOSED PROJECT
AND FINANCIAL ASSISTANCE RELATING THERETO**

NOTICE IS HEREBY GIVEN that a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), will be held by the Dutchess County Local Development Corporation (the "Issuer") on behalf of and at the request of Dutchess County on the 12th day of May, 2016 at 10:00 o'clock a.m., local time, at the Dutchess County Legislature Chambers, 6th Floor, 22 Market Street, Poughkeepsie, New York 12601, in connection with the following matters:

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(C) funding capitalized interest on the Bonds (as defined below);

(D) paying all or a portion of the costs incidental to the issuance of the Bonds, including issuance costs of the Bonds (collectively, paragraphs (A), (B), (C), and (D) shall be referred to herein as the "Project"); and

(E) the financing of all or a portion of the costs of the foregoing by the issuance of Tax-Exempt Revenue Bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, all at present estimated to be approximately \$350,000,000 and in any event not to exceed \$385,000,000 (the "Bonds").

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Project, including a potential exemption from mortgage recording taxes with respect to any documents recorded by the Issuer with respect to the Project in the office of the County Clerk of Dutchess County, New York or elsewhere (collectively, the "Financial Assistance").

If issuance of the Bonds is approved, interest on the Bonds will not be excludable from gross income for federal income tax purposes unless (a) pursuant to Section 147(f) of the Code and the regulations of the United States Treasury Department thereunder (the "Treasury Regulations") the issuance of such Bonds is approved by the County Executive of Dutchess County, New York after a public hearing on the nature and location of the Project and the issuance of such Bonds has been held in Dutchess County; and (b) pursuant to Section 145(a) of the Code, all property which is to be provided by the net proceeds of the Bonds is to be owned by a Section 501(c)(3) organization or a governmental unit and at least ninety-five percent (95%) of the net proceeds of the Bonds are used with respect to (1) governmental units and/or (2) the activities of Section 501(c)(3) organizations which do not constitute "unrelated trades or businesses" (as defined in Section 513(a) of the Code) with respect to such Section 501(c)(3) organizations.

If the Issuer determines to proceed with the Project and the issuance of the Bonds, (a) interest on the Bonds will be excluded from gross income for federal income tax purposes pursuant to Sections 103 and 145 of the Code, as applicable, (b) the Project will be financed with the Bonds, (c) the proceeds of the Bonds will be loaned by the Issuer to the Institution or its designee pursuant to a Loan Agreement (the "Agreement") requiring that the Institution or its designee make payments equal to debt service on the Bonds and make certain other payments, and (d) the Bonds will be a special obligation of the Issuer payable solely out of certain of the proceeds of the Agreement and certain other assets of the Issuer pledged to the repayment of the Bonds. **THE BONDS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR OF THE COUNTY OF DUTCHESS, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR THE COUNTY OF DUTCHESS, NEW YORK SHALL BE LIABLE THEREON.**


The Issuer has not completed its review of the Project 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").

The Issuer will at said time and place described above hear all persons with views on the location and nature of the proposed Project, the Financial Assistance being contemplated by the Issuer in connection with the proposed Project, or the proposed plan of financing of the Project through the issuance from time to time of the Bonds. A copy of the application filed by the Institution with respect to the Project is available for public inspection during normal business hours at the office of the Issuer. A transcript or summary report of the public hearing will be made available to the County Executive of Dutchess County, New York. Approval of the issuance of the Bonds by the County Executive of Dutchess County, New York is necessary in order for the interest on a portion of the Bonds to qualify for exemption from federal income taxation.

Additional information can be obtained from, and written comments may be addressed to: Sarah Lee, Chief Executive Officer, Dutchess County Local Development Corporation, Three Neptune Road, Poughkeepsie, New York 12601; Telephone: (845) 463-5400.

Dated: Poughkeepsie, New York
April 22, 2016

DUTCHESS COUNTY LOCAL
DEVELOPMENT CORPORATION

By: 
Charles Daniels III, Chairman

CAPPILLINO &
ROTHSCHILD LLP
Attorneys at Law
Seven Broad Street
P.O. Box 390
Pawling, New York
12564-0390
(845) 855-5444



COUNTY OF DUTCHESS

MARCUS J. MOLINARO
COUNTY EXECUTIVE

April 25, 2016

Charles Daniels III, Chairman
Dutchess County Local Development Corporation
Three Neptune Road
Poughkeepsie, New York 12601

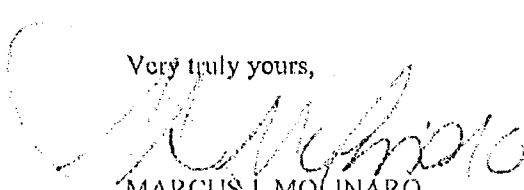
Re: HealthQuest Systems Series 2015 Bond Issue

Dear Mr. Daniels:

The undersigned, as County Executive of Dutchess County in connection with the above financing, hereby authorizes the Dutchess County Local Development Corporation ("DC LDC") to conduct a public hearing at the Dutchess County Legislative Chambers, 6th Floor, County Office Building, 22 Market Street, Poughkeepsie, New York on May 12, 2016 at 10:00 a.m. This hearing is pursuant to Section 147 of the Internal Revenue Code.

In addition, you are hereby authorized to designate Donald Cappillino, counsel to the DC LDC, to conduct the hearing.

Very truly yours,


MARCUS J. MOLINARO
County Executive

MJM/hah



DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION

April 22, 2016

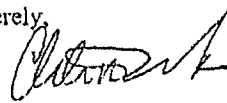
Donald Cappillino, Esq.
Cappillino & Rothschild LLP
Seven Broad Street
P.O. Box 390
Pawling, New York 12564-0390

Re: Dutchess County LDC with HealthQuest Systems, Inc.

Dear Mr. Cappillino:

Please be advised that pursuant to my authority as Chairman of the Dutchess County Local Development Corporation to set the public hearing in this matter, I hereby designate you as the hearing officer to conduct the required hearing pursuant to §859-a of the N.Y. General Municipal Law and §147 of the Internal Revenue Code. The hearing will be held at the Dutchess County Legislature Chambers, 22 Market Street, 6th Floor, Poughkeepsie, New York on May 12, 2016 at 10:00 a.m.

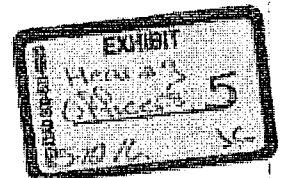
Sincerely,



Charles Daniels III
Chairman

CD/hah

*3 Neptune Road, Poughkeepsie, NY 12601
Phone (845) 463-5400, Fax (845) 463-5401*



COPY

STATE OF NEW YORK
COUNTY OF DUTCHESS

In the Matter of Health Quest Systems Inc.
for Financial Assistance from the Dutchess
County Local Development Corporation

DATED: May 12, 2016
Poughkeepsie, New York
10:00 a.m. - 10:05 a.m.

Jennifer Cea, Reporter

MINUTES
OF
PUBLIC HEARING

Mary T. Babiarz Court Reporting Service
(845) 471-2511

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APPEARANCES:

DONALD CAPPILLINO - Hearing Officer
7 Broad Street
Pawling, New York 12564

ALSO PRESENT:

Gary Zmrhal, Senior Vice President
Chief Financial Officer - Health Quest

Katherine Bacher, Vice President
for Financial Operations - Health Quest

Sarah Lee, CEO of Local Development
Corporation

Timmian Massie, Senior Vice
President of Marketing Public
affairs and relations

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PUBLIC HEARING
(NOTICE OF PUBLIC HEARING
RECEIVED AND MARKED AS HEARING
OFFICER'S EXHIBIT 1 INTO EVIDENCE)

(AFFIDAVIT OF PUBLICATION
RECEIVED AND MARKED AS HEARING
OFFICER'S EXHIBIT 2 INTO EVIDENCE)

(AFFIDAVIT OF HOLLY HOFFNER
RECEIVED AND MARKED AS HEARING
OFFICER'S EXHIBIT 3 INTO EVIDENCE)

(LETTER DATED 4/25/16 RECEIVED
AND MARKED AS HEARING OFFICER'S
EXHIBIT 4 INTO EVIDENCE)

(LETTER DATED 4/22/16 RECEIVED
AND MARKED AS HEARING OFFICER'S
EXHIBIT 5 INTO EVIDENCE)

BY THE HEARING OFFICER: Good
morning everyone. It is now 10:00
a.m. and we're here for this public
hearing on the application of Health

PUBLIC HEARING

1
2 Quest for financial assistance from
3 the Dutchess County Local Development
4 Corporation. I'm Donald Cappillino,
5 the Hearing Officer in this matter.
6 Before the hearing began I had the
7 stenographer mark into evidence the
8 following documents:

9 As Hearing Officer's Exhibit 1,
10 the Notice of Public Hearing in this
11 matter. As Hearing Officer's Exhibit
12 Number 2, the Affidavit of
13 Publication, Poughkeepsie Journal
14 indicating that this Notice of Public
15 Hearing was published for one
16 publication on April 27, 2016. I had
17 marked as Hearing Officer's Exhibit
18 Number 3 in evidence the Affidavit of
19 Holly Hoffner showing that on April 26
20 a copy of the Notice of Public Hearing
21 in this matter was served upon the
22 Mayor of the City of Poughkeepsie,
23 Honorable Rob Rolison, Dr. Nicole
24 Williams, Superintendent of Schools of
25 the Poughkeepsie City School District,

PUBLIC HEARING

1
2 and upon the Honorable Marcus J.
3 Molinaro, Dutchess County Executive.
4 I had marked as Hearing Officer's
5 Exhibit Number 4, the April 25, 2016
6 letter of Marcus Molinaro authorizing
7 this public hearing to take place and
8 authorizing the designation of me as
9 the Hearing Officer in this matter.
10 And I had marked as Hearing Officer's
11 Exhibit Number 5 in evidence the April
12 22, 2016 letter of Charles Daniels,
13 Chairman of Dutchess County Local
14 Development Corporation appointing me
15 as the Hearing Officer in this matter.
16 And with that I will open the public
17 hearing.

18 Anyone on behalf of Health Quest
19 want to say anything? Would you just
20 make a brief statement as to what this
21 application is? This is on the 2016 B
22 bonds which pertains to the new
23 development, so if you could give a
24 brief description for the record.

25 BY MS. BACHER: Sure. So we are

PUBLIC HEARING

1
2 going out for a bond issuance for the
3 2016 B series to build a new patient
4 bed tower for Vassar Brothers Medical
5 Center. It will incorporate 264 med/
6 surg beds, 30 ICU beds and a new 66
7 bay emergency room. It will also
8 include 12 operating rooms, OR suites.
9 In addition there will be a connector
10 and we will upgrade 13,000 square feet
11 of the old medical center in the
12 operating rooms supportive section.

13 BY THE HEARING OFFICER: Your
14 application indicates that you expect
15 to have approximately 300 construction
16 jobs created ---

17 BY MS. BACHER: That is correct.

18 BY THE HEARING OFFICER: ---
19 during the construction period, and 21
20 full-time jobs will be added to your
21 existing payroll?

22 BY MS. BACHER: That is correct.

23 BY THE HEARING OFFICER: That's
24 all accurate. Okay, great. Anyone
25 have anything further to say? Do you

PUBLIC HEARING

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have anything to say?

BY MS. LEE: On behalf of the local development corporation, we are happy to be assisting Health Quest for their bond issuance and look forward to helping Health Quest on this project.

BY THE HEARING OFFICER: Okay. Well, there is no one from the public here and so with that I will now close the public hearing. Thank you very much.

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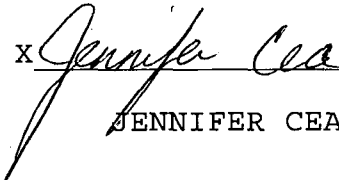
HEARING OFFICER'S EXHIBITS

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3	Affidavit of Holly Hoffner	3
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REPORTER'S CERTIFICATION

I hereby certify that the foregoing is a true and accurate copy of the Public Hearing Minutes recorded by me and reduced to transcript form.

X 
JENNIFER CEA

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B

CERTIFICATE OF APPROVAL OF THE PUTNAM COUNTY EXECUTIVE

APPROVING THE ISSUANCE OF CERTAIN OBLIGATIONS BY DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION TO FINANCE A CERTAIN PROJECT FOR HEALTHQUEST SYSTEMS, INC.

WHEREAS, pursuant to Section 1411 of the Not-for-Profit Corporation Law of the State of New York, as amended (the "Enabling Act"), Revenue Ruling 57-187 and Private Letter Ruling 200936012, the County Legislature of Dutchess County, New York (the "County") adopted a resolution on April 12, 2010 (the "Sponsor Resolution") (1) authorizing the incorporation of Dutchess County Local Development Corporation (the "Issuer") under the Enabling Act, and (2) appointing the initial members of the Board of Directors of the Issuer; and

WHEREAS, in April, 2010, a Certificate of Incorporation was filed with the New York Secretary of State's Office (the "Certificate of Incorporation") creating the Issuer as a public instrumentality of the County; and

WHEREAS, the County adopted Resolution No. 2015263 (the "Amending Resolution") on November 10, 2015 authorizing the amendment of the Issuer's Certificate of Amendment to allow the Issuer to provide financial assistance as requested by the County Executive of contiguous counties if those counties do not have a Local Development Corporation of their own; and

WHEREAS, on December 1, 2015, the County Legislature of Putnam County, New York ("Putnam County") adopted Resolution No. 269 of 2015 requesting the Issuer to provide financial assistance to projects as requested which are located in Putnam County; and

WHEREAS, on December 2, 2015, the Amendment to the Certificate of Incorporation as approved by the County was filed with the New York Secretary of State's Office (the "Amendment to the Certificate of Incorporation"); and

WHEREAS, the Issuer is authorized and empowered by the provisions of the Enabling Act to relieve and reduce unemployment, promote and provide for additional and maximum employment, better and maintain job opportunities, and lessen the burdens of government and act in the public interest, and in carrying out the aforesaid purposes and in exercising the powers conferred in the Enabling Act, the Enabling Act declares that the Issuer will be performing essential governmental functions; and

WHEREAS, to accomplish its stated purposes, the Issuer is authorized and empowered under the Enabling Act to acquire real and personal property; to borrow money and issue negotiable bonds, notes and other obligations therefore; to lease, sell, mortgage or otherwise dispose of or encumber any of its real or personal property upon such terms as it may determine; and otherwise to carry out its corporate purposes in the territory in which the operations of the Issuer are principally to be conducted; and

WHEREAS, in November, 2015, HealthQuest Systems, Inc. (the "Corporation"), 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, having an office at 1351 Route 55, Suite 200, LaGrangeville, New York 12540-5144, presented an application (the "Application") to the Issuer, which Application requested that the Issuer issue its Tax-Exempt Revenue Bonds, Series 2015 (HealthQuest Systems, Inc. Project) in the aggregate principal amount presently estimated to be \$50,000,000 but not to exceed \$55,000,000 (the "Series 2015 Bonds") for the benefit of the Corporation or the Corporation's member hospitals, Vassar Brothers Medical Center in Dutchess County, Northern Dutchess Hospital in Dutchess County, and Putnam Hospital Center in Putnam County, all of which are organizations described in Section 501(c)(3) of the Code (collectively, the "Member Hospitals"), consisting of the following:

(A) refunding the Series 2007B Bonds issued by the Dormitory Authority of the State of New York ("**Authority**") designated Health Quest Systems, Inc. Obligated Group Revenue Bonds, Series 2007B (the "**Series 2007B Bonds**"), issued in the aggregate principal amount of \$47,300,000, with an approximate balance remaining of \$38,650,000, the proceeds of which Series 2007B Bonds were used for refinancing certain costs of the following (1)(A) the construction of approximately 14,300 square feet of additional space for a new operating room and maternity unit completed in 1997 and 2000 respectively, and (B) the construction of a 3-story addition to the hospital consisting of 53,514 square feet for the relocation of the 10-bed rehabilitation unit, an additional operating room, relocation of the ambulatory surgery services, physical therapy and emergency department, as well as physician offices completed in 2005, and (C) the financing of the acquisition of medical service equipment, in each case to be located at, and owned and operated by, the Northern Dutchess Hospital, 6511 Springbrook Avenue, Rhinebeck, Dutchess County, New York, and (2)(A) the construction of a new 5-floor building of approximately 113,500 square feet, to house (i) 70 new medical surgical beds, (ii) therapeutic external radiation oncology services (including the acquisition of a new linear accelerator) and (iii) cardiology services; (B) the expansion of the existing parking lot by approximately 445 spaces, and (C) the financing of the acquisition of medical service equipment, in each case to be located at, and owned and operated by, the Putnam Health Center, 670 Stoneleigh Avenue, Carmel, Putnam County, New York 10512; and (3) the financing of the acquisition of medical service equipment, in each case to be located at, and owned and operated by, Vassar Brothers Medical Center, 45 Reade Place, Dutchess County, Poughkeepsie, NY 12601 (collectively, the "**2016 Project**" or "**Project**"); and

(B) the paying of all or a portion of the costs incidental to the issuance of the Series 2016 Bonds, including issuance costs of the Series 2016 Bonds and any reserve funds as may be necessary to secure the Series 2016 Bonds; and

The maximum aggregate principal amount of the Bonds is \$50,000,000, with the maximum aggregate principal amount of the Bonds for facilities in Dutchess County is \$20,000,000 (\$15,000,000 at Northern Dutchess Hospital and \$5,000,000 at Vassar Brothers Medical Center), and the maximum aggregate principal amount of the Bonds for facilities in Putnam County is \$30,000,000. The Issuer is considering whether (a) to undertake the Project, (b) to finance the Project by issuing, from time to time, the Bonds, (c) to loan the proceeds of the Bonds to the Corporation to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, and (d) to provide certain exemptions from taxation with

respect to the Project, including a potential exemption from mortgage recording taxes with respect to any documents recorded by the Issuer with respect to the Project in the office of the County Clerk of Dutchess County, New York or elsewhere; and

WHEREAS, the Corporation has requested that interest on the Bonds be treated by the federal government as excludable from gross income for federal income tax purposes pursuant to Section 103 and Section 145(a) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the Honorable MaryEllen Odell, the County Executive of Putnam County, New York (the "County Executive") has been advised by the Issuer that the Issuer proposes to issue, subsequent to the execution of this certificate, the Bonds from time to time in a principal amount presently estimated to be approximately \$50,000,000 and in any event not to exceed \$55,000,000, sufficient to fund all or a portion of the costs of the Project; and

WHEREAS, interest on the Bonds will not be excludable from gross income for federal income tax purposes unless, among other things, pursuant to Section 147(f) of the Code, the issuance of the Bonds is approved by the "applicable elected representative" of Putnam County, New York, after the Issuer has held a public hearing on the nature and location of the Project and the issuance of the Bonds; and

WHEREAS, in response to the receipt by the Issuer of the Application, the Chairman of the Issuer (A) caused notice of a public hearing of the Issuer (the "Public Hearing") pursuant to Section 147(f) of the Code to hear all persons interested in the Project and the financial assistance being contemplated by the Issuer with respect to the Project, to be published as follows: on November 30, 2015 in the *Putnam County Press*, a newspaper of general circulation available to the residents of Putnam County, New York, and the Town of Carmel, New York; on December 2, 2015 in the *Putnam County News and Recorder*, a newspaper of general circulation available to the residents of Putnam County, New York, and the Town of Carmel, New York; and on December 3, 2015 in the *Putnam County Courier*, a newspaper of general circulation available to the residents of Putnam County, New York, and the Town of Carmel, New York, (B) caused notice of the Public Hearing to be mailed on November 25, 2015 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is (or will be) located, (C) conducted the Public Hearing in the Town of Carmel, the County seat, on December 14, 2015 at 11:30 a.m., local time, at Putnam Hospital Center, Conference Room 2, 670 Stoneleigh Avenue, Carmel, New York; and (D) caused a transcript report of the Public Hearing to be made (the "Public Hearing Reports") which fairly reported the views presented at such Public Hearings and caused a copy of said Public Hearing Report to be made available to the members of the board of directors of the Issuer and to the County Executive of Putnam County, New York; and

WHEREAS, pursuant to Section 147(f) of the Code, the County Executive desires to allow the interest on the Bonds to be treated as excludable from gross income for federal income purposes; and

WHEREAS, the County Executive of Putnam County has requested the Issuer to provide the financing set forth herein for the Project

NOW, THEREFORE, the undersigned County Executive of Putnam County, New York, determines as follows:

Section 1. For the sole purpose of qualifying the interest payable on the Bonds for exclusion from gross income for federal income purposes pursuant to the provisions of Sections 103 and 145(a) of the Code, the County Executive, as the elected chief executive officer of Putnam County, New York, hereby approves the issuance by the Issuer of the Bonds in the principal amount presently estimated to be approximately \$50,000,000 but in any event not to exceed \$55,000,000 with the approximate amount of the Bonds being used in Putnam County presently estimated to be \$30,000,000, provided that the Bonds, and the premium (if any) and interest thereon, shall be special Bonds of the Issuer and shall never be a debt of the State of New York, Putnam County, New York, or any political subdivision thereof (other than the Issuer), and neither the State of New York, Putnam County, New York, nor any political subdivision thereof (other than the Issuer) shall be liable thereon.

Section 2. The County Executive hereby requests the Issuer to issue the Bonds on behalf of Putnam Hospital which is located in Putnam County.

Section 3. This certificate shall take effect immediately.

IN WITNESS WHEREOF, I have hereunto set my hand this 8 day of January, 2016.



Honorable MaryEllen Odell
County Executive of Putnam County, New York

**NOTICE OF PUBLIC HEARING ON PROPOSED PROJECT
AND FINANCIAL ASSISTANCE RELATING THERETO**

NOTICE IS HEREBY GIVEN that a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") will be held by the Dutchess County Local Development Corporation (the "Issuer") on behalf of and at the request of Putnam County on the 14th day of December, 2015 at 11:30 o'clock a.m., local time, at the Putnam Hospital Center, Conference Room, 670 Stoneleigh Avenue, Carmel, New York 10512 in connection with the following matters:

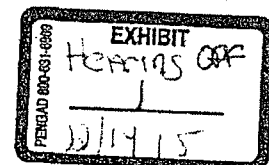
HEALTH QUEST SYSTEMS, INC., a New York not-for-profit corporation (the "Corporation"), has submitted an application to the Issuer, a copy of which application is on file at the office of the Issuer, which application requested that the Issuer consider undertaking a project for the benefit of the Corporation or the Corporation's member hospitals, Vassar Brothers Medical Center in Dutchess County, Northern Dutchess Hospital in Dutchess County, and Putnam Hospital Center in Putnam County, all of which are organizations described in Section 501(c)(3) of the Code (collectively, the "Member Hospitals"), consisting of the following:

(A) refunding the Series 2007B Bonds issued by the Dormitory Authority of the State of New York ("Authority") designated Health Quest Systems, Inc. Obligated Group Revenue Bonds, Series 2007B (the "Series 2007B Bonds"), issued in the aggregate principal amount of \$47,300,000, with an approximate balance remaining of \$38,650,000, the proceeds of which Series 2007B Bonds were used for refinancing certain costs of the following (1)(A) the construction of approximately 14,300 square feet of additional space for a new operating room and maternity unit completed in 1997 and 2000 respectively, and (B) the construction of a 3-story addition to the hospital consisting of 53,514 square feet for the relocation of the 10-bed rehabilitation unit, an additional operating room, relocation of the ambulatory surgery services, physical therapy and emergency department, as well as physician offices completed in 2005, and (C) the financing of the acquisition of medical service equipment, in each case to be located at, and owned and operated by, the Northern Dutchess Hospital, 6511 Springbrook Avenue, Rhinebeck, Dutchess County, New York, and (2)(A) the construction of a new 5-floor building of approximately 113,500 square feet, to house (i) 70 new medical surgical beds, (ii) therapeutic external radiation oncology services (including the acquisition of a new linear accelerator) and (iii) cardiology services; (B) the expansion of the existing parking lot by approximately 445 spaces, and (C) the financing of the acquisition of medical service equipment, in each case to be located at, and owned and operated by, the Putnam Health Center, 670 Stoneleigh Avenue, Carmel, Putnam County, New York 10512 (collectively, the "2015 Project" or "Project"); and

(B) the paying of all or a portion of the costs incidental to the issuance of the Series 2015 Bonds, including issuance costs of the Series 2015 Bonds and any reserve funds as may be necessary to secure the Series 2015 Bonds; and

The maximum aggregate principal amount of the Bonds is \$45,000,000, with the maximum aggregate principal amount of the Bonds for facilities in Dutchess County is \$15,000,000, and the maximum aggregate principal amount of the Bonds for facilities in Putnam County is \$30,000,000. The Issuer is considering whether (a) to undertake the Project, (b) to finance the Project by issuing, from time to time, the Bonds, (c) to loan the proceeds of the Bonds

CAPPILLINO &
ROTHSCHILD LLP
Attorneys at Law
Seven Broad Street
P.O. Box 390
Pewling, New York
12564-0390
(845) 855-5444



to the Corporation to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, and (d) to provide certain exemptions from taxation with respect to the Project, including a potential exemption from mortgage recording taxes with respect to any documents recorded by the Issuer with respect to the Project in the office of the County Clerk of Dutchess County, New York or elsewhere.

If issuance of the Bonds is approved, interest on a portion of the Bonds will not be excludable from gross income for federal income tax purposes unless (a) pursuant to Section 147(f) of the Code and the regulations of the United States Treasury Department thereunder (the "Treasury Regulations") the issuance of such Bonds is approved by the County Executives of both Dutchess County and Putnam County, New York after a public hearing on the nature and location of the Project and the issuance of such Bonds has been held in Dutchess County and Putnam County, respectively; and (b) pursuant to Section 145(a) of the Code, all property which is to be provided by the net proceeds of the Bonds is to be owned by a Section 501(c)(3) organization or a governmental unit and at least ninety-five percent (95%) of the net proceeds of the Bonds are used with respect to (1) governmental units and/or (2) the activities of Section 501(c)(3) organizations which do not constitute "unrelated trades or businesses" (as defined in Section 513(a) of the Code) with respect to such Section 501(c)(3) organizations.

If the Issuer determines to proceed with the Project and the issuance of the Bonds, (a) interest on the Bonds will be excluded from gross income for federal income tax purposes pursuant to Sections 103 and 145 of the Code, as applicable, (b) the Project will be financed with the Bonds, (c) the proceeds of the Bonds will be loaned by the Issuer to the Corporation or its designee pursuant to a Loan Agreement (the "Agreement") requiring that the Corporation or its designee make payments equal to debt service on the Bonds and make certain other payments, and (d) the Bonds will be a special obligation of the Issuer payable solely out of certain of the proceeds of the Agreement and certain other assets of the Issuer pledged to the repayment of the Bonds. **THE BONDS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR OF THE COUNTY OF DUTCHESS, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR THE COUNTY OF DUTCHESS, NEW YORK SHALL BE LIABLE THEREON.**

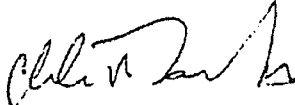
The Issuer has completed its review of the Project pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act"), and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the "Regulations", and collectively with the SEQR Act, "SEQRA").

The Issuer will at said time and place hear all persons with views on the location and nature of the proposed Project, the Financial Assistance being contemplated by the Issuer in connection with the proposed Project, or the proposed plan of financing of the Project through the issuance from time to time of the Bonds. A copy of the Application filed by the Corporation with respect to the Project is available for public inspection during normal business hours at the office of the Issuer. A transcript or summary report of the hearing will be made available to the County Executive of Putnam County, New York. Approval of the issuance of the Bonds by the County Executives of Dutchess County and Putnam County, New York is necessary in order for the interest on a portion of the Bonds to qualify for exemption from federal income taxation.

Additional information can be obtained from, and written comments may be addressed to: Sarah Lee, Chief Executive Officer, Dutchess County Local Development Corporation, Three Neptune Road, Poughkeepsie, New York 12601; Telephone: (845) 463-5400.

Dated: Poughkeepsie, New York
November 25, 2015

DUTCHESS COUNTY LOCAL
DEVELOPMENT CORPORATION

By: 

Charles Daniels III, Chairman

CAPELLINO &
ROTHSCHILD LLP
Attorneys at Law
Seven Broad Street
P.O. Box 390
Pawling, New York
12564-0390
(845) 855-5444

State of New York
County of Putnam

I, DON HALL

being duly sworn, says that the attached legal notice was published in the PUTNAM COUNTY PRESS newspaper in the Town of Carmel, in said County of Putnam for 11-30-2015

weeks commencing on 11-30-2015

and ending 11-30-2015

Don Hall

Sworn to before me, this 30th

day of November, 2015

Nancy Hyde

NANCY HYDUKE
NOTARY PUBLIC, STATE OF NEW YORK
QUALIFIED IN DUTCHESS COUNTY
01HY6221990
COMMISSION EXPIRES JUNE 14, 2018

70 new medical surgical beds, (ii) therapeutic external radiation oncology services (including the acquisition of a new linear accelerator) and (iii) cardiology services. (B) the expansion of the existing parking lot by approximately 445 spaces, and (C) the financing of the acquisition of medical service equipment, in each case to be located at, and owned and operated by, the Putnam Health Center, 670 Stoneleigh Avenue, Carmel, Putnam County, New York 10512, (collectively the "2015 Project") and:

(B) the paying of all or a portion of the costs incidental to the issuance of the Series 2015 Bonds, including issuance costs of the Series 2015 Bonds and any reserve funds as may be necessary to secure the Series 2015 Bonds; and

The maximum aggregate principal amount of the Bonds is \$45,000,000, with the maximum aggregate principal amount of the Bonds for facilities in Dutchess County is \$15,000,000, and the maximum aggregate principal amount of the Bonds for facilities in Putnam County is \$30,000,000. The Issuer is considering whether:

(a) to undertake the project, (b) to finance the Project by issuing from time to time the Bonds, (c) to loan the proceeds of the Bonds to the Corporation to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, and (d) to provide certain exemptions from taxation with respect to the Project, including a potential exemption from mortgage recording taxes with respect to any documents recorded by the Issuer with respect to the Project in the office of the County Clerk of Dutchess County, New York or elsewhere.

If the Issuer determines to proceed with the Project and the issuance of the Bonds, (a) interest on the Bonds will be excluded from gross income for federal income tax purposes pursuant to Sections 103 and 145 of the Code (as applicable), (b) the Project will be financed with the Bonds, (c) the proceeds of the Bonds will be loaned by the Issuer to the Corporation to its use in accordance with a Loan Agreement (the "Agreement") requiring that the Corporation make timely payments equal to debt service on the Bonds and make certain other payments, and (d) the Bonds will be a special obligation of the Issuer payable solely out of certain of the proceeds of the Agreement and certain other assets of the Issuer pledged to the repayment of the Bonds. THE BONDS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR OF THE COUNTY OF DUTCHESS, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR THE COUNTY OF DUTCHESS, NEW YORK SHALL BE LIABLE THEREON.

The Issuer has completed its review of the Project pursuant to Article 6 of the Environmental Conservation Law (Chapter 42-B of the Consolidated Laws of New York) and amended the "SPOR Act" to the results of a public hearing thereon by the Department of Environmental Conservation of the State of New York (the "NYDEC") Part 617, as amended (the "Regulations"), and collectively with the SEQRA Act ("SEQRA").

The Issuer will, at said time and place, hear all persons with views on the location and nature of the proposed project, the Financial Assistance being contemplated by the Issuer in connection with the proposed project, or the proposed plan of financing of the Project through the issuance from time to time of the Bonds. A copy of this Application filed by the Corporation with respect to the Project is available for public inspection during the normal business hours of the office of the County Clerk of Dutchess County, New York after a public hearing on the nature and location of the Project and the issuance of such Bonds has been held in Dutchess County and Putnam County, respectively, and (b) pursuant to Section 145(a) of the Code, all property which is to be provided by the net proceeds of the Bonds is to be owned by a Section 501(c)(3) organization or a governmental unit, and at least ninety-five percent (95%) of the net proceeds of the Bonds are used with respect to (1) governmental units and/or (2) the activities of Section 501(c)(3) organizations which do not constitute "unrelated trades or businesses" (as defined in Section 514(a) of the Code) with respect to such Section 501(c)(3) organizations.

If the Issuer determines to proceed with the Project and the issuance of the Bonds, (a) interest on the Bonds will be excluded from gross income for federal income tax purposes pursuant to Sections 103 and 145 of the Code (as applicable), (b) the Project will be financed with the Bonds, (c) the proceeds of the Bonds will be loaned by the Issuer to the Corporation to its use in accordance with a Loan Agreement (the "Agreement") requiring that the Corporation make timely payments equal to debt service on the Bonds and make certain other payments, and (d) the Bonds will be a special obligation of the Issuer payable solely out of certain of the proceeds of the Agreement and certain other assets of the Issuer pledged to the repayment of the Bonds. THE BONDS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR OF THE COUNTY OF DUTCHESS, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR THE COUNTY OF DUTCHESS, NEW YORK SHALL BE LIABLE THEREON.

The Issuer has completed its review of the Project pursuant to Article 6 of the Environmental Conservation Law (Chapter 42-B of the Consolidated Laws of New York) and amended the "SPOR Act" to the results of a public hearing thereon by the Department of Environmental Conservation of the State of New York (the "NYDEC") Part 617, as amended (the "Regulations"), and collectively with the SEQRA Act ("SEQRA").

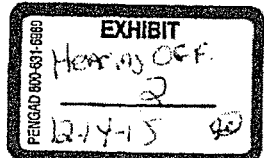
The Issuer will, at said time and place, hear all persons with views on the location and nature of the proposed project, the Financial Assistance being contemplated by the Issuer in connection with the proposed project, or the proposed plan of financing of the Project through the issuance from time to time of the Bonds. A copy of this Application filed by the Corporation with respect to the Project is available for public inspection during the normal business hours of the office of the County Clerk of Dutchess County, New York after a public hearing on the nature and location of the Project and the issuance of such Bonds has been held in Dutchess County and Putnam County, respectively, and (b) pursuant to Section 145(a) of the Code, all property which is to be provided by the net proceeds of the Bonds is to be owned by a Section 501(c)(3) organization or a governmental unit, and at least ninety-five percent (95%) of the net proceeds of the Bonds are used with respect to (1) governmental units and/or (2) the activities of Section 501(c)(3) organizations which do not constitute "unrelated trades or businesses" (as defined in Section 514(a) of the Code) with respect to such Section 501(c)(3) organizations.

The Issuer will, at said time and place, hear all persons with views on the location and nature of the proposed project, the Financial Assistance being contemplated by the Issuer in connection with the proposed project, or the proposed plan of financing of the Project through the issuance from time to time of the Bonds. A copy of this Application filed by the Corporation with respect to the Project is available for public inspection during the normal business hours of the office of the County Clerk of Dutchess County, New York after a public hearing on the nature and location of the Project and the issuance of such Bonds has been held in Dutchess County and Putnam County, respectively, and (b) pursuant to Section 145(a) of the Code, all property which is to be provided by the net proceeds of the Bonds is to be owned by a Section 501(c)(3) organization or a governmental unit, and at least ninety-five percent (95%) of the net proceeds of the Bonds are used with respect to (1) governmental units and/or (2) the activities of Section 501(c)(3) organizations which do not constitute "unrelated trades or businesses" (as defined in Section 514(a) of the Code) with respect to such Section 501(c)(3) organizations.

The Issuer will, at said time and place, hear all persons with views on the location and nature of the proposed project, the Financial Assistance being contemplated by the Issuer in connection with the proposed project, or the proposed plan of financing of the Project through the issuance from time to time of the Bonds. A copy of this Application filed by the Corporation with respect to the Project is available for public inspection during the normal business hours of the office of the County Clerk of Dutchess County, New York after a public hearing on the nature and location of the Project and the issuance of such Bonds has been held in Dutchess County and Putnam County, respectively, and (b) pursuant to Section 145(a) of the Code, all property which is to be provided by the net proceeds of the Bonds is to be owned by a Section 501(c)(3) organization or a governmental unit, and at least ninety-five percent (95%) of the net proceeds of the Bonds are used with respect to (1) governmental units and/or (2) the activities of Section 501(c)(3) organizations which do not constitute "unrelated trades or businesses" (as defined in Section 514(a) of the Code) with respect to such Section 501(c)(3) organizations.

The Issuer will, at said time and place, hear all persons with views on the location and nature of the proposed project, the Financial Assistance being contemplated by the Issuer in connection with the proposed project, or the proposed plan of financing of the Project through the issuance from time to time of the Bonds. A copy of this Application filed by the Corporation with respect to the Project is available for public inspection during the normal business hours of the office of the County Clerk of Dutchess County, New York after a public hearing on the nature and location of the Project and the issuance of such Bonds has been held in Dutchess County and Putnam County, respectively, and (b) pursuant to Section 145(a) of the Code, all property which is to be provided by the net proceeds of the Bonds is to be owned by a Section 501(c)(3) organization or a governmental unit, and at least ninety-five percent (95%) of the net proceeds of the Bonds are used with respect to (1) governmental units and/or (2) the activities of Section 501(c)(3) organizations which do not constitute "unrelated trades or businesses" (as defined in Section 514(a) of the Code) with respect to such Section 501(c)(3) organizations.

The Issuer will, at said time and place, hear all persons with views on the location and nature of the proposed project, the Financial Assistance being contemplated by the Issuer in connection with the proposed project, or the proposed plan of financing of the Project through the issuance from time to time of the Bonds. A copy of this Application filed by the Corporation with respect to the Project is available for public inspection during the normal business hours of the office of the County Clerk of Dutchess County, New York after a public hearing on the nature and location of the Project and the issuance of such Bonds has been held in Dutchess County and Putnam County, respectively, and (b) pursuant to Section 145(a) of the Code, all property which is to be provided by the net proceeds of the Bonds is to be owned by a Section 501(c)(3) organization or a governmental unit, and at least ninety-five percent (95%) of the net proceeds of the Bonds are used with respect to (1) governmental units and/or (2) the activities of Section 501(c)(3) organizations which do not constitute "unrelated trades or businesses" (as defined in Section 514(a) of the Code) with respect to such Section 501(c)(3) organizations.



PUBLIC NOTICE

Putnam
NOTICE OF PUBLIC HEARING ON PROPOSED PROJECT AND FINANCIAL ASSISTANCE RELATING THERETO

NOTICE IS HEREBY GIVEN that a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") will be held by the Dutchess County Local Development Corporation (the "Issuer") on behalf and at the request of Putnam County on the 14th day of December, 2015, at 11:30 o'clock a.m. local time at the Putnam Hospital Center, Conference Room, 670 Stoneleigh Avenue, Carmel, New York 10512, in connection with the following matters:

THE HEALTH QUEST SYSTEMS INC. a New York not-for-profit corporation (the "Corporation"), has submitted an application to the Issuer, a copy of which application is on file at the office of the Issuer, which application requested that the Issuer consider undertaking a project for the benefit of the Corporation or the Corporation's member hospitals, Vassar Brothers Medical Center, in Dutchess County, Northern Dutchess Hospital in Dutchess County, and Putnam Hospital

Center in Putnam County, all of which are organizations described in Section 501(c)(3) of the Code (collectively the "Member Hospitals"), consisting of the following:

- (A) financing the Series 2007B Bonds issued by the Dormitory Authority of the State of New York (Authority) designated Health Quest Systems, Inc. Obligated Group Revenue Bonds, Series 2007B (the "Series 2007B Bonds") issued in the aggregate principal amount of \$47,300,000 with an approximate balance remaining of \$38,650,000, the proceeds of which Series 2007B Bonds were used for refinancing certain costs of the following (i) (A) the construction of approximately 14,300 square feet of additional space for a new operating room and maternity unit completed in 1997 and 2000, respectively, and (B) the construction of a 3-story addition to the hospital consisting of 22,514 square feet for the relocation of the 10-bed rehabilitation unit, an additional operating room, relocation of the ambulatory surgery services, physical therapy and emergency department, as well as physician offices completed in 2005; and (C) the financing of the acquisition of medical service equipment in each case to be located at, and owned and operated by, the Northern Dutchess Hospital, 6511 Springbrook Avenue, Rhinebeck, Dutchess County, New York; and (2) (A) the construction of a new 5-floor building of approximately 113,500 square feet, to house (i)

Additional information can be obtained from and written comments may be addressed to Sarah Lee, Chief Executive Officer, Dutchess County Local Development Corporation, Three Neptune Road, Southkeepsie, New York 12501. Telephone: (845) 469-5400.

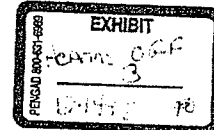
Dated: Roughkeepsie, New York

November 26, 2015

DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION

By: Charles Daniels III, Chairman

The PUTNAM COUNTY NEWS and RECORDER



Affidavit of Publication

**LEGAL NOTICE
NOTICE OF PUBLIC
HEARING ON
PROPOSED PROJECT
AND FINANCIAL
ASSISTANCE RELATING
THERE TO**

NOTICE IS HEREBY GIVEN that a public hearing arranged by Section 17(1) of the Internal Revenue Code of 1986, as amended (the Code) will be held by the Dutchess County Local Development Corporation (the Board) on behalf of and at the request of Putnam County on the 14th day of December, 2015 at 11:30 o'clock a.m., local time at the Putnam Hospital Center, Conference Room, 579 Stony Brook Avenue, Carmel, New York 10512 in conjunction with the following matters:

HEALTH QUEST SYSTEMS, INC., a New York not-for-profit corporation (the Corporation), has submitted an application to the issuer a copy of which application is on file at the office of the issuer, which application requested that the issuer consider undertaking a project for the benefit of the Corporation of the Corporation's member hospitals, namely, Dutchess Medical Center, Dutchess County Hospital, Northern Dutchess Hospital, Putnam County Hospital and Putnam County Center and Putnam County, all of which are organizations described in Section 501(c)(3) of the Code (collectively the Member Hospitals), consisting of the following:

(A) refunding the Series 2007B Bonds issued by the Dormitory Authority of the State of New York (the Authority), designated Health Quest Systems, Inc. Obligated Group Revenue Bonds, Series 2007B (the Series 2007B Bonds), issued in an amount of \$2,700,000, with an approximate balance remaining of \$3,650,000. The proceeds of which Series 2007B Bonds were used for refinancing certain costs of the following (1) (A) the construction of approximately 14,300 square feet of additional inpatient room, operating room and maternal services completed in 1997 at Dutchess County Hospital; (B) the construction of an ambulatory addition to the hospital consisting of 43,513 square feet for the relocation of the 10 bed rehabilitation unit, an additional operating room, relocation of the ambulatory surgery services, physical therapy and emergency department, as well as physician offices completed in 2005; and (C) the financing of the acquisition of medical service equipment, in each case to be located at and owned and operated by the Northern Dutchess Hospital, 579 Stony Brook Avenue, Carmel, New York 10512;

(2) the construction of approximately 1,500 square feet of new inpatient room, medical and surgical beds; (3) the purchase of external radiation oncology services (including the acquisition of a new linear accelerator and related auxiliary services); (4) the expansion of the existing parking lot by approximately 445 spaces; and (5) the financing of the acquisition of medical service equipment, in each case to be located at and owned and operated by the Putnam County Center, 600 State Street Avenue, Carmel, Putnam County, New York 10512 (collectively, the Project).

The issuer is considering whether (a) to undertake the Project; (b) to finance the Project by issuing from the Board the Bonds; (c) to issue the Bonds to the Corporation to pay the costs of the Project; (d) to issue the Bonds to the Authority in connection therewith; and (e) to provide certain exemptions from taxation with respect to the Project.

The maximum aggregate principal amount of the Bonds is \$5,000,000, with the maximum aggregate principal amount of the Bonds for facilities in Dutchess County, \$2,700,000, and the maximum aggregate principal amount of the Bonds for facilities in Putnam County, \$2,300,000.

The issuer is considering whether (a) to undertake the Project; (b) to finance the Project by issuing from the Board the Bonds; (c) to issue the Bonds to the Corporation to pay the costs of the Project; (d) to issue the Bonds to the Authority in connection therewith; and (e) to provide certain exemptions from taxation with respect to the Project.

The issuer is considering whether (a) to undertake the Project; (b) to finance the Project by issuing from the Board the Bonds; (c) to issue the Bonds to the Corporation to pay the costs of the Project; (d) to issue the Bonds to the Authority in connection therewith; and (e) to provide certain exemptions from taxation with respect to the Project.

State of New York

County of Putnam

Elizabeth Ailes being duly sworn, doth depose and say that she is The Publisher of the Putnam County News & Recorder, a newspaper printed and published weekly at the Village of Cold Spring, County of Putnam, and State of New York, and that the annexed Legal Notice, which is a true and accurate copy, was published in said paper for 1 weeks successively, beginning on the day of December...2015, and ending on the 2nd day of December... 2015.

Elizabeth Ailes

Subscribed and sworn before me this 2nd day of December....., 2015

Caroline Balducci

CAROLINE BALDUCCI
Notary Public, State of New York
No. 01BA6229755
Qualified in Putnam County
Commission Expires 10/18/2018

501(c)(3) organization or a governmental unit and at least ninety percent (95%) of the net proceeds of the Bonds are used with respect to (b) governmental units and (c) those activities of Section 501(c)(3) organizations, which do not constitute unrelated trades or businesses (as defined in Section 513(a) of the Code) with respect to such Section 501(c)(3) organizations.

If the issuer determines to proceed with the Project and the issuance of the Bonds, (a) interest on the Bonds will be excluded from gross income for federal income tax purposes pursuant to Sections 103 and 145 of the Code, as applicable; (b) the Project will be financed with the Bonds; (c) the proceeds of the Bonds will be loaned by the Issuer to the Corporation or its designees pursuant to a Loan Agreement (the "Agreement") requiring that the Corporation shall designate make payments equal to debt service on the Bonds and make certain other payments; and (d) the Bonds will be a special obligation of the Issuer payable solely out of certain of the proceeds of the Agreement and certain other assets of the Issuer pledged to the repayment of the Bonds. **THE BONDS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR OF THE COUNTY OF DUTCHESS, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR THE COUNTY OF DUTCHESS, NEW YORK, SHALL BE LIABLE THEREON.**

The Issuer has completed its review of the Project pursuant to Article 8 of the Environmental Conservation Law (Chapter 420 of the Consolidated Laws of New York, as amended (the "SEOR Act") and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being NY CRR Part 61.7, as amended (the "Regulations") and collectively with the SEOR Act, "SEOR Act".

The Issuer will, at said time and place, hear all persons with views on the location and nature of the proposed Project, the financial assistance being contemplated by the Issuer in connection with the proposed Project, or the proposed plan of financing of the Project through the issuance from time to time of the Bonds. A copy of the Application filed by the Corporation with respect to the Project is available for public inspection during normal business hours at the office of the Issuer. A transcript summary report of the hearing will be made available to the County Executive of Putnam County, New York. Approval of the issuance of the Bonds by the County Executive of Dutchess County and Putnam County, New York, is necessary to complete the financing of the Project.

of the Bonds to qualify for exemption from federal income taxation. Additional information can be obtained from and written comments may be addressed to Sarah Lee, Chief Executive Officer, Dutchess County Local Development Corporation, Three Neptune Road, Poughkeepsie, New York 12601, Telephone: (845) 463-5400.

Dated:
Poughkeepsie, New York
November 25, 2015.
**DUTCHESS COUNTY
LOCAL
DEVELOPMENT
CORPORATION**
By
Charles Daniels III
Charles Daniels III,
Chairman

STATE OF NEW YORK)
) ss.:
COUNTY OF DUTCHESS)

HOLLY A. HOFFNER, being duly sworn, deposes and says:

1. I am not a party to this action, am over eighteen (18) years of age, and reside at Pawling, New York.

2. On November 25, 2015, I served a true copy of the Notice of Public Hearing attached hereto as Exhibit A by mailing the same in a sealed envelope, with postage prepaid thereon, in a post-office or official depository of the U.S. Postal Service within the State of New York, addressed to the last known address of the addressee as indicated below:

Honorable Kenneth Schmitt
Supervisor, Town of Carmel
Carmel Town Hall
60 McAlpin Avenue
Mahopac, New York 10541

Mr. Andy Irvin
Superintendent of Schools
Carmel Central School District
81 South Street
Patterson, New York 12563

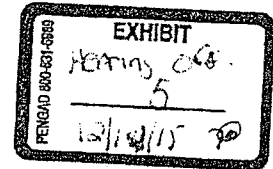
Honorable Maryellen Odell
Putnam County Executive
County Office Building
40 Gleneida Avenue
3rd Floor
Carmel, New York 10512

Holly A. Hoffner
Holly A. Hoffner

Sworn to before me this
30th day of November, 2015.

Regina M. Wexler
Notary Public

REGINA M. WEXLER
Notary Public, State of New York
No. 494513
Qualified in Westchester County
Commission Expires Nov. 21, 2018



CAPPILINO &
ROTSCHILD LLP
Attorneys at Law
Seven Broad Street
P.O. Box 390
Pawling, New York
12564-0390
(845) 855-5444

**NOTICE OF PUBLIC HEARING ON PROPOSED PROJECT
AND FINANCIAL ASSISTANCE RELATING THERETO**

NOTICE IS HEREBY GIVEN that a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") will be held by the Dutchess County Local Development Corporation (the "Issuer") on behalf of and at the request of Putnam County on the 14th day of December, 2015 at 11:30 o'clock a.m., local time, at the Putnam Hospital Center, Conference Room, 670 Stoneleigh Avenue, Carmel, New York 10512 in connection with the following matters:

HEALTH QUEST SYSTEMS, INC., a New York not-for-profit corporation (the "Corporation"), has submitted an application to the Issuer, a copy of which application is on file at the office of the Issuer, which application requested that the Issuer consider undertaking a project for the benefit of the Corporation or the Corporation's member hospitals, Vassar Brothers Medical Center in Dutchess County, Northern Dutchess Hospital in Dutchess County, and Putnam Hospital Center in Putnam County, all of which are organizations described in Section 501(c)(3) of the Code (collectively, the "Member Hospitals"), consisting of the following:

(A) refunding the Series 2007B Bonds issued by the Dormitory Authority of the State of New York ("Authority") designated Health Quest Systems, Inc. Obligated Group Revenue Bonds, Series 2007B (the "Series 2007B Bonds"), issued in the aggregate principal amount of \$47,300,000, with an approximate balance remaining of \$38,650,000, the proceeds of which Series 2007B Bonds were used for refinancing certain costs of the following (1)(A) the construction of approximately 14,300 square feet of additional space for a new operating room and maternity unit completed in 1997 and 2000 respectively, and (B) the construction of a 3-story addition to the hospital consisting of 53,514 square feet for the relocation of the 10-bed rehabilitation unit, an additional operating room, relocation of the ambulatory surgery services, physical therapy and emergency department, as well as physician offices completed in 2005, and (C) the financing of the acquisition of medical service equipment, in each case to be located at, and owned and operated by, the Northern Dutchess Hospital, 6511 Springbrook Avenue, Rhinebeck, Dutchess County, New York, and (2)(A) the construction of a new 5-floor building of approximately 113,500 square feet, to house (i) 70 new medical surgical beds, (ii) therapeutic external radiation oncology services (including the acquisition of a new linear accelerator) and (iii) cardiology services; (B) the expansion of the existing parking lot by approximately 445 spaces, and (C) the financing of the acquisition of medical service equipment, in each case to be located at, and owned and operated by, the Putnam Health Center, 670 Stoneleigh Avenue, Carmel, Putnam County, New York 10512 (collectively, the "2015 Project" or "Project"); and

(B) the paying of all or a portion of the costs incidental to the issuance of the Series 2015 Bonds, including issuance costs of the Series 2015 Bonds and any reserve funds as may be necessary to secure the Series 2015 Bonds; and

The maximum aggregate principal amount of the Bonds is \$45,000,000, with the maximum aggregate principal amount of the Bonds for facilities in Dutchess County is \$15,000,000, and the maximum aggregate principal amount of the Bonds for facilities in Putnam County is \$30,000,000. The Issuer is considering whether (a) to undertake the Project, (b) to finance the Project by issuing, from time to time, the Bonds, (c) to loan the proceeds of the Bonds

to the Corporation to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, and (d) to provide certain exemptions from taxation with respect to the Project, including a potential exemption from mortgage recording taxes with respect to any documents recorded by the Issuer with respect to the Project in the office of the County Clerk of Dutchess County, New York or elsewhere.

If issuance of the Bonds is approved, interest on a portion of the Bonds will not be excludable from gross income for federal income tax purposes unless (a) pursuant to Section 147(f) of the Code and the regulations of the United States Treasury Department thereunder (the "Treasury Regulations") the issuance of such Bonds is approved by the County Executives of both Dutchess County and Putnam County, New York after a public hearing on the nature and location of the Project and the issuance of such Bonds has been held in Dutchess County and Putnam County, respectively; and (b) pursuant to Section 145(a) of the Code, all property which is to be provided by the net proceeds of the Bonds is to be owned by a Section 501(c)(3) organization or a governmental unit and at least ninety-five percent (95%) of the net proceeds of the Bonds are used with respect to (1) governmental units and/or (2) the activities of Section 501(c)(3) organizations which do not constitute "unrelated trades or businesses" (as defined in Section 513(a) of the Code) with respect to such Section 501(c)(3) organizations.

If the Issuer determines to proceed with the Project and the issuance of the Bonds, (a) interest on the Bonds will be excluded from gross income for federal income tax purposes pursuant to Sections 103 and 145 of the Code, as applicable, (b) the Project will be financed with the Bonds, (c) the proceeds of the Bonds will be loaned by the Issuer to the Corporation or its designee pursuant to a Loan Agreement (the "Agreement") requiring that the Corporation or its designee make payments equal to debt service on the Bonds and make certain other payments, and (d) the Bonds will be a special obligation of the Issuer payable solely out of certain of the proceeds of the Agreement and certain other assets of the Issuer pledged to the repayment of the Bonds. THE BONDS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR OF THE COUNTY OF DUTCHESS, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR THE COUNTY OF DUTCHESS, NEW YORK SHALL BE LIABLE THEREON.

The Issuer has completed its review of the Project 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").

The Issuer will at said time and place hear all persons with views on the location and nature of the proposed Project, the Financial Assistance being contemplated by the Issuer in connection with the proposed Project, or the proposed plan of financing of the Project through the issuance from time to time of the Bonds. A copy of the Application filed by the Corporation with respect to the Project is available for public inspection during normal business hours at the office of the Issuer. A transcript or summary report of the hearing will be made available to the County Executive of Putnam County, New York. Approval of the issuance of the Bonds by the County Executives of Dutchess County and Putnam County, New York is necessary in order for the interest on a portion of the Bonds to qualify for exemption from federal income taxation.

Additional information can be obtained from, and written comments may be addressed to: Sarah Lee, Chief Executive Officer, Dutchess County Local Development Corporation, Three Neptune Road, Poughkeepsie, New York 12601; Telephone: (845) 463-5400.

Dated: Poughkeepsie, New York
November 25, 2015

DUTCHESS COUNTY LOCAL
DEVELOPMENT CORPORATION

By: CHARLES DANIELS III
Charles Daniels III, Chairman

CAPPILLINO &
ROTESCHILD LLP
Attorneys at Law
Seven Broad Street
P.O. Box 390
Pawling, New York
12564-0390
(845) 855-5444

PUTNAM COUNTY EXECUTIVE

40 Gleneida Avenue
Carmel, New York 10512
(845) 808-1001 Fax (845) 808-1901
www.putnamcountyny.gov

MaryEllen Odell
County Executive

Bruce J. Walker
Deputy County Executive

Patricia Simone
Chief of Staff

Nicholas DePerno Jr.
Director of Constituent Service



November 30, 2015

Charles Daniels III, Chairman
Dutchess County Local Development Corporation
Three Neptune Road
Poughkeepsie, New York 12601

Re: HealthQuest Systems Series 2015 Bond Issue

Dear Mr. Daniels:

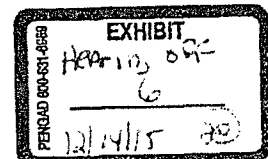
The undersigned, as County Executive of Putnam County in connection with the above financing, hereby authorizes the Dutchess County Local Development Corporation ("DC LDC") to conduct a public hearing at Putnam Hospital Center, Conference Room 2, 670 Stoneleigh Avenue, Carmel, New York 10512, on December 14, 2015 at 11:30 a.m. This hearing is pursuant to Section 147 of the Internal Revenue Code.

In addition, you are hereby authorized to designate Donald Cappillino, counsel to the DC LDC, to conduct the hearing.

Very truly yours,

MARYELLEN ODELL
County Executive

MO/hah



DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION

November 30, 2015

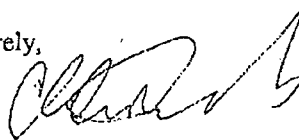
Donald Cappillino, Esq.
Cappillino & Rothschild LLP
Seven Broad Street
P.O. Box 390
Pawling, New York 12564-0390

Re: Dutchess County LDC with HealthQuest Systems, Inc.

Dear Mr. Cappillino:

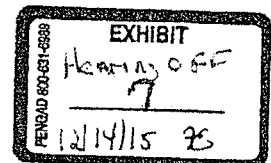
Please be advised that pursuant to my authority as Chairman of the Dutchess County Local Development Corporation to set the public hearing in this matter, I hereby designate you as the hearing officer to conduct the required hearing pursuant to §859-a of the N.Y. General Municipal Law and §147 of the Internal Revenue Code. The hearing will be held at Putnam Hospital Center, Conference Room 2, 670 Stoneleigh Avenue, Carmel, New York 10512, on December 14, 2015 at 11:30 a.m.

Sincerely,



Charles Daniels III
Chairman

CD/hah



*3 Neptune Road, Poughkeepsie, NY 12601
Phone (845) 463-5400, Fax (845) 463-5401*

COPY

STATE OF NEW YORK
COUNTY OF PUTNAM

-----X
DUTCHESS COUNTY LOCAL DEVELOPMENT
CORPORATION RE:

HEALTH QUEST SYSTEMS, INC.
-----X

DATE: December 14, 2015
Carmel, New York
11:30 a.m. - 11:52 a.m.

Frances M. Elmes, Reporter

MINUTES
OF
PUBLIC HEARING

MARY T. BABIARZ COURT REPORTING SERVICE, INC.
(845) 471-2511

APPEARANCES:

1
2 DONALD CAPPILLINO, Hearing Officer
3 CAPPILLINO & ROTHSCHILD, LLP
4 Seven Broad Street
5 P.O. Box 390
6 Pawling, New York 12564
7 E-mail: Dc@cappillino.com

8
9
10 SARA LEE, CEO, Dutchess County Local
11 Development Corporation
12 3 Neptune Road
13 Poughkeepsie, New York 12601-5545
14 E-mail: Slee@dcedc.com

15
16
17 GARY ZMRHAL, HealthQuest Senior Vice
18 President/Chief Financial Officer
19 1351 Route 55, Suite 200
20 LaGrangeville, New York 12540-5144
21 E-Mail: Gzmrhal@health-quest.org
22
23
24
25

Proceedings

1
2 THE HEARING OFFICER: Can you
3 mark these Hearing Officer's Exhibits 1
4 through 7 in evidence, please?

5
6 (HEARING OFFICER'S EXHIBITS 1-7, AS
7 DETAILED BELOW, RECEIVED IN EVIDENCE)

8
9 BY THE HEARING OFFICER: Good
10 morning, everyone. I'm Donald
11 Cappillino conducting this public
12 hearing on behalf of the Dutchess County
13 Local Development Corporation pursuant
14 to a notice of public hearing in this
15 matter.

16 I have had the court stenographer
17 mark into evidence before this hearing
18 opened Hearing Officer's Exhibit Number
19 1 in evidence, which is the notice of
20 public hearing on this particular
21 project.

22 I had marked into evidence as
23 Hearing Officer's Exhibit Number 2 the
24 affidavit of Don Hall of the Putnam
25 County Press indicating that a copy of

Proceedings

1
2 this notice of public hearing was
3 published in the Putnam County Press on
4 November 30, 2015.

5 I have Hearing Officer's Exhibit
6 Number 3 marked into evidence, which is
7 the affidavit of publication of the
8 Putnam County News and Recorder
9 indicating that this notice of public
10 hearing was published once on
11 December 2, 2015. I have marked as
12 Hearing Officer's Exhibit Number 4 in
13 evidence the affidavit of publication of
14 the Putnam County Courier indicating
15 that this notice of public hearing was
16 published once on December 3, 2015.

17 I have marked as Hearing
18 Officer's Exhibit Number 5 in evidence
19 the affidavit of Holly Hoffner,
20 paralegal in my office, indicating that
21 on November 25th she served a copy of
22 the notice of public hearing on
23 Honorable Ken Schmitt, Supervisor of the
24 Town of Carmel, and Mr. Andy Irvin,
25 Superintendent of Schools of the Carmel

Proceedings

1
2 Central School District, and upon
3 Honorable Maryellen O'Dell, Putnam
4 County Executive.

5 I have marked in evidence as
6 Hearing Officer's Number 6 the
7 November 30, 2015 letter of Maryellen
8 O'Dell, County Executive, indicating
9 that the County Executive of Putnam
10 County authorizes the Dutchess County
11 Local Development Corporation to conduct
12 this public hearing and, in addition,
13 authorizes me, Donald Cappillino,
14 counsel to the Dutchess County Local
15 Development Corporation, to conduct this
16 public hearing.

17 I have marked as Hearing
18 Officer's Exhibit Number 7 in evidence
19 the letter of Charles Daniels III,
20 Chairman of the Dutchess County Local
21 Development Corporation, authorizing
22 this public hearing and appointing me as
23 the hearing officer in this particular
24 matter.

25 It is now 12:47 --- (Interrupted)

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1
2 MR. ZMRHAL: 11.

3 THE HEARING OFFICER: I'm sorry,
4 11:47, thank you. And we are located at
5 the Putnam Hospital Center conference
6 room at 670 Stoneleigh Avenue, Carmel,
7 New York. We have been here since 11:30
8 a.m. or before and we have present
9 Gary...

10 MR. ZMRHAL: Zmrhal.

11 THE HEARING OFFICER: Zmrhal,
12 Senior Vice-President and Chief
13 Financial Officer of HealthQuest, and we
14 have Sarah Lee, who is the Chief
15 Executive Officer of the Dutchess County
16 Local Development Corporation, and there
17 are no members of the public who are
18 present and in evidence.

19 So, Mr. Zmrhal, would you please
20 start your presentation and tell us what
21 it's about?

22 MR. ZMRHAL: Yes. We are seeking
23 to do an advanced refunding of existing
24 bonds. Our 2007 Series B bonds became
25 callable or become callable on July 1,

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1
2 2017. However, they're eligible for
3 advanced refunding as of this past
4 July 1, 2015. Based on that ability to
5 do that, with interest rates declining,
6 we propose an advanced refunding to
7 lower our interest rate and save money,
8 which would help us not only preserve
9 the existing but also give us additional
10 capital for new programs and services.

11 So we believe based on everything
12 we know right now relative to this
13 advanced refunding we can use our
14 current debt reserve, debt service
15 reserve fund of 3.4 million, to reduce
16 principal so we'll have a lower
17 principal and lower interest.

18 We would eliminate the annual fee
19 of \$37,840 from DASNY and we believe the
20 overall savings associated with the
21 lower bonds and the advanced refunding
22 would be \$7.2 million with a present
23 value of 4.4 million. Again, helping us
24 not only preserve the existing positions
25 but also providing us savings in the

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1
2 future to provide new programs and
3 services.

4 MR. CAPPILLINO: Okay. Very
5 good. Now, in your application to the
6 --- and, by the way, this is financing
7 that involves the Putnam Hospital
8 Center, as well as the Dutchess County
9 portion of the HealthQuest facility, and
10 so for the first time the Dutchess
11 County Local Development Corporation,
12 with the authorization of Putnam County,
13 is now extending its financial
14 assistance into Putnam County and so
15 this public hearing today and all of the
16 notices are related to the Putnam County
17 portion of this particular matter. The
18 Dutchess County portion will be dealt
19 with later and ultimately it will be
20 presented to the Dutchess County Local
21 Development Corporation for its final
22 approval.

23 In your application you indicated
24 that you have a number of jobs here in
25 Dutchess County, as well as Putnam

Proceedings

1
2 County at the various locations here.
3 Was the information in that application
4 accurate?

5 MR. ZMRHAL: Yes.

6 THE HEARING OFFICER: Okay. And
7 so you're looking --- because this is
8 only a refinance, you're saying that
9 this is more for job retention so that
10 you remain competitive in your
11 particular industry; is that accurate?

12 MR. ZMRHAL: Correct.

13 MR. CAPPILLINO: Okay. I have no
14 further questions. Sarah, do you have
15 anything that you'd like to add at this
16 point in time.

17 MS. LEE: No. I guess I'd just
18 like to say that, you know, we look
19 forward to working with HealthQuest and
20 Putnam Hospital in working with them on
21 this particular transaction and to be
22 able to assist them in continuing to
23 provide quality service and new
24 programming to support the community.

25 MR. ZMRHAL: Thank you, we

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1
2 appreciate that.

3 MR. CAPPILLINO: Okay. Well, if
4 there's nothing further, then I will now
5 close the public hearing. It is now
6 11:52 a.m.

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