

BOND RESOLUTION

**DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION
REVENUE BONDS, SERIES 2016A
(HEALTH QUEST SYSTEMS, INC. PROJECT)**

A regular meeting of the Board of Directors of Dutchess County Local Development Corporation (the "Issuer") was convened in public session in the offices of the Issuer located at Three Neptune Road, Town of Poughkeepsie, Dutchess County, New York on January 19, 2016 at 8:10 o'clock a.m., local time.

The meeting was called to order by the Chairman of the Board of Directors of the Issuer and, upon roll being called, the following members of the Board of Directors of the Issuer were:

PRESENT: Charles Daniels III, Chairman
Angela E. Flesland, Assistant Secretary
Edward Summers
Mark Doyle
Alfred D. Torreggiani

ABSENT: Timothy Dean, Vice Chairman
Phyllis DiStasi Keenan, Secretary/Treasurer

ALSO PRESENT: Donald Cappillino, Counsel
Sarah Lee, Chief Executive Officer

The following resolution was offered by Edward Summers, and seconded by Mark Doyle, to wit:

RESOLUTION AUTHORIZING THE ISSUANCE, EXECUTION, SALE AND DELIVERY BY DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION OF ITS TAX-EXEMPT REVENUE BONDS, SERIES 2016A (HEALTH QUEST SYSTEMS, INC. PROJECT) IN THE AGGREGATE PRINCIPAL AMOUNT PRESENTLY ESTIMATED TO BE \$50,000,000 BUT NOT TO EXCEED \$55,000,000 AND THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS AND INSTRUMENTS IN CONNECTION THEREWITH.

RECITALS

WHEREAS, the Issuer was created pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as amended (the "Enabling Act"); and pursuant to the provisions of the Enabling Act and 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 (A) authorizing the incorporation of the Issuer under the Enabling Act, and

(B) appointing the initial members of the Board of Directors of the Issuer; and 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 Incorporation 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 County Executive of Putnam County has requested the Issuer to provide the financing set forth herein for the Project (as hereinafter defined); 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, at the request of Health Quest Systems, Inc. (the "Institution"), a State of New York not-for-profit corporation exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), the Issuer proposes to issue its tax-exempt Revenue Bonds, Series 2016A (Health Quest Systems, Inc. Project) in the aggregate principal amount presently estimated to be \$50,000,000 but not to exceed \$55,000,000 (the "Series 2016A Bonds") for the benefit of the Institution or the Institution'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"), for a project 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, New York 12601 (collectively, the “**2016A Project**” or “**Project**”); and

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

The maximum aggregate principal amount of the Series 2016A Bonds is \$50,000,000, with the maximum aggregate principal amount of the Series 2016A 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 Series 2016A 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 Series 2016A Bonds, (c) to loan the proceeds of the Series 2016A 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 or Putnam County, New York or elsewhere; and

WHEREAS, in response to the receipt by the Issuer of an application received from the Institution, the Chairman of the Issuer (A) caused a notice of public hearing of the Issuer to hear all persons interested in the Project to be published as follows: (i) for the public hearing conducted in Dutchess County (the “*Dutchess County Public Hearing*”) 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 and Village and Town of Rhinebeck, New York; and (ii) for the public hearing conducted in Putnam County (the “*Putnam County Public Hearing*”) 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 a notice of the public hearing for the Dutchess County Public Hearing to be mailed on December 28, 2015 to the Dutchess County Executive, the Mayors of the City of Poughkeepsie and Village of Rhinebeck, the Superintendents of the Poughkeepsie City School District and the Rhinebeck Central School District, and caused a notice of the public hearing for the Putnam County Public Hearing to be mailed on November 25, 2015 to the Putnam County Executive, the Supervisor of the Town of Carmel, and the Superintendent of the Carmel Central School District in which the 2016A Project is located, (C) conducted the Dutchess County Public Hearing on January 11, 2016 at 9:30 o'clock, a.m., local time at the Dutchess County Legislative Chambers, 22 Market Street, 6th Floor, Poughkeepsie, (located in the City of Poughkeepsie, the Dutchess County Seat), and conducted the Putnam County Public Hearing on December 14, 2015 at 11:30 o'clock, a.m., local time at Putnam Hospital Center, Conference Room 2, 670 Stoneleigh Avenue, Carmel, New York 10512 (located in the Town of Carmel, the Putnam County Seat), and (D) caused transcript reports of the Public Hearings to be made (the "Public Hearing Reports") which fairly reported the views presented at such Public Hearings and caused copies of said Public Hearing Reports to be made available to the members of the Board of Directors of the Issuer; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act") and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the "Regulations" and collectively with the SEQR Act, "SEQRA"), the Issuer has determined the Project is a routine refinancing of existing debt and therefore is a "Type II Action" pursuant to 6 NYCRR §617.5(c)(23) which will not have a significant effect on the environment; and

WHEREAS, the Issuer will issue the Series 2016A Bonds under this resolution (the "Bond Resolution" or the "Resolution"), an Indenture of Trust dated as of January 1, 2016 (the "Indenture of Trust") by and between the Issuer and The Bank of New York Mellon, as trustee (the "Trustee") for the holders of the Series 2016A Bonds and any additional bonds issued by the Issuer under the Indenture of Trust; and

WHEREAS, also simultaneously with the issuance of the Series 2016A Bonds, the Issuer and the Institution will execute and deliver a Loan Agreement dated as of January 1, 2016 (the "Loan Agreement") by and between the Issuer and the Institution, pursuant to the terms of which Loan Agreement the Institution will make certain payments to or upon the order of the Issuer, which payments shall include amounts equal to the debt service payments due on the Series 2016A Bonds; and

WHEREAS, pursuant to the terms of the Indenture of Trust, the net proceeds of the sale of the Series 2016A Bonds (the "Bond Proceeds") will be deposited into various trust funds held by the Trustee under the Indenture of Trust and will be disbursed by the Trustee to pay a portion of the Costs of the 2016A Project (as defined in the Indenture of Trust), but only upon

satisfaction of the requirements for making such disbursements set forth in the Indenture of Trust and in the Loan Agreement; and

WHEREAS, as evidence of its indebtedness under the Loan Agreement, the Institution will execute a Series 2016A Promissory Note (the "Promissory Note") to the Issuer in the amount of the Series 2016A Bonds, which Promissory Note shall be assigned by the Issuer to the Trustee; and

WHEREAS, the Series 2016A Bonds will be initially purchased by Merrill Lynch, Pierce, Fenner & Smith Incorporated and Cain Brothers & Company, LLC, collectively, acting as underwriter for the Series 2016A Bonds (the "Underwriters") pursuant to a Bond Purchase Agreement dated a date to be determined (the "Bond Purchase Agreement") by and among the representative of the Underwriters, the Issuer and the Institution; and the Underwriters will utilize a Preliminary Official Statement (the "Preliminary Official Statement") and a final Official Statement (the "Official Statement") in connection with the offering of the Series 2016A Bonds; and the Underwriters also intend to obtain a rating of the Series 2016A Bonds from one or more securities rating agencies; and

WHEREAS, to assist the Underwriters in complying with the requirements of Rule 15c2-12 of the Securities and Exchange Commission, the Institution will execute and deliver to the Underwriters and Digital Assurance Certification, L.L.C. a Continuing Disclosure Agreement dated as of January 1, 2016 (the "Continuing Disclosure Agreement") relating to the Series 2016A Bonds; and the Series 2016A Bonds will be issued as "book-entry-only" obligations to be held by The Depository Trust Company, as depository for the Series 2016A Bonds; and

WHEREAS, to demonstrate compliance with the provisions of the Code relating to the issuance of tax-exempt obligations, (A) the Issuer will execute a completed Internal Revenue Service Form 8038 (Information Return for Private Activity Bonds) relating to the Bonds (the "Information Return") pursuant to Section 149(e) of the Code, and file the Information Return with the Internal Revenue Service; and (B) the Issuer and the Institution will execute a Tax Regulatory Agreement dated the date of delivery of the Series 2016A Bonds (the "Tax Regulatory Agreement") relating to the requirements in Sections 145 through 150 of the Code relating to the Series 2016A Bonds; and

WHEREAS, the Issuer now desires to (A) authorize or ratify and confirm, (as applicable) the circulation of the Preliminary Official Statement in connection with the marketing of the Series 2016A Bonds, (B) authorize the circulation of the Official Statement in connection with the marketing of the Series 2016A Bonds, and (C) authorize the issuance of the Series 2016A Bonds for the purpose of paying a portion of the Costs of the 2016A Project, delegating to the Chairman and/or the Chief Executive Officer of the Issuer authority to determine the final details of the Series 2016A Bonds (the "Bond Details") once the marketing of the Series 2016A Bonds is completed and the Institution has agreed to the Bond Details including, if applicable, the securing of bond insurance from a bond insurer on such terms as the Institution may agree.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BOARD OF DIRECTORS OF DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION, AS FOLLOWS:

Section 1. The Issuer hereby finds and determines that:

(A) By virtue of the Certificate of Incorporation, the Amendment to the Certificate of Incorporation and the Enabling Act, the Issuer has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Enabling Act and to exercise all powers granted to it under the Enabling Act; and

(B) The 2016A Project and the financing thereof with the proceeds of the loan to the Institution will relieve and reduce unemployment, promote and provide for additional and maximum employment and better and maintain job opportunities, and thereby lessen the burdens of government;

(C) The actions herein will not have a significant adverse effect upon the environment pursuant to SEQRA for the reasons set forth in the Recitals to this Resolution; and

(D) It is desirable and in the public interest for the Issuer to issue and sell its Series 2016A Bonds upon the terms and conditions set forth in the Indenture of Trust and the Bond Purchase Agreement and as determined by the Chairman and/or the Chief Executive Officer of the Issuer once the marketing of the Bonds is completed and the Institution has agreed to the Bond Details.

Section 2. In consequence of the foregoing, the Issuer hereby determines to: (A) issue the Series 2016A Bonds on the terms and conditions set forth in the Indenture of Trust and the Bond Purchase Agreement; (B) sell the Series 2016A Bonds to the initial purchaser thereof pursuant to the terms set forth in the Indenture of Trust and the Bond Purchase Agreement; (C) use the proceeds of the Series 2016A Bonds to make the loan to the Institution for the purpose of paying a portion of the Costs of the 2016A Project; (D) authorize the use of the Official Statement in connection with the sale of the Bonds; and (E) execute any and all related documents, instruments, and certificates.

Section 3. The form and substance of the Loan Agreement, the Indenture of Trust, the Series 2016A Bonds, the Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement, and any documents necessary and incidental thereto including, but not limited to, any documents approved by counsel to the Issuer (collectively, the "Issuer Documents") are hereby approved.

Section 4. The Issuer is hereby authorized to issue, execute, sell and deliver to the Trustee for authentication the Series 2016A Bonds to pay a portion of the Costs of the 2016A Project, in the form and in the amount and containing the other provisions determined by the

Chairman and/or the Chief Executive Officer of the Issuer, and the Chairman and/or Chief Executive Officer of the Issuer is hereby authorized to deliver said Series 2016A Bonds to the purchasers thereof against receipt of the purchase price thereof, all pursuant to the Enabling Act and in accordance with the provisions of the Indenture of Trust, this Bond Resolution, and the Bond Purchase Agreement, provided that:

(A) The Series 2016A Bonds authorized to be issued, executed, sold and delivered pursuant to this Section 4 shall (1) be issued, executed and delivered at such time as the Chairman and/or the Chief Executive Officer of the Issuer shall determine, and (2) bear interest at the rate or rates, be issued in such form, be subject to redemption prior to maturity and have such other terms and provisions and be issued in such manner and on such conditions as are set forth in the Bonds, the Indenture of Trust and the Bond Purchase Agreement, or as are hereinafter approved by the Chairman and/or the Chief Executive Officer of the Issuer in accordance with Section 5 hereof, which terms are specifically incorporated herein by reference with the same force and effect as if fully set forth in this Bond Resolution.

(B) The Series 2016A Bonds shall be issued solely for the purpose of providing funds to finance the costs of the 2016A Project as described in the Financing Documents (as hereinafter defined) and the administrative, legal, financial and other expenses of the Issuer in connection with the loan and the 2016A Project and incidental to the issuance of the Series 2016A Bonds.

(C) Neither the members, directors nor officers of the Issuer, nor any person executing the Series 2016A Bonds or any of the Financing Documents (as hereinafter defined) on behalf of the Issuer, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution, issuance or delivery thereof. The Series 2016A Bonds and the interest thereon are not and shall never be a debt of the State of New York, or Dutchess or Putnam Counties, New York or any political subdivision thereof, and neither the State of New York, or Dutchess or Putnam Counties, New York nor any political subdivision thereof shall be liable thereon.

(D) The Series 2016A Bonds, together with interest payable thereon, shall be special obligations of the Issuer payable solely from certain of the revenues and receipts derived from repayment of the loan or from the enforcement of the security provided by the Financing Documents (as hereinafter defined) and the other security pledged to the payment thereof.

Section 5. (A) Upon receipt of advice from counsel to the Issuer that the Preliminary Official Statement is in substantially final form, the Issuer hereby delegates to the Chairman and/or the Chief Executive Officer of the Issuer the authority to (or, as applicable, ratifies and confirms the actions of the Chairman and/or the Chief Executive Officer to) (1) deem the Preliminary Official Statement final (except for the permitted omissions described in paragraph (b)(1) of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended) by

executing a certificate to that effect, (2) authorize the Underwriters to circulate the Preliminary Official Statement and (3) execute and deliver any other documents or agreements requested by the Underwriters in connection with the circulation of the Preliminary Official Statement by the Underwriters.

(B) Upon receipt of advice from counsel to the Issuer that the Issuer has received from the Underwriters the results of the initial marketing of the Series 2016A Bonds and has received from the Institution evidence that the Institution has accepted the results of the marketing of the Series 2016A Bonds, the Issuer hereby delegates to the Chairman and/or the Chief Executive Officer of the Issuer the authority to (1) execute and deliver the Bond Purchase Agreement on behalf of the Issuer and (2) determine, on behalf of the Issuer, the final Bond Details.

(C) The Chairman and/or the Chief Executive Officer of the Issuer are hereby authorized, on behalf of the Issuer, to execute and deliver the Issuer Documents and the other documents related thereto (collectively with the Issuer Documents, the "Financing Documents"), and, where appropriate, the Secretary (or Assistant Secretary) of the Issuer is hereby authorized to affix the seal of the Issuer thereto and to attest the same, all in substantially the form thereof presented to this meeting, with such changes, variations, omissions and insertions as the Chairman and/or the Chief Executive Officer shall approve, the execution thereof by the Chairman and/or the Chief Executive Officer to constitute conclusive evidence of such approval including such changes to the Financing Documents as are deemed appropriate by the Chairman and/or the Chief Executive Officer of the Issuer to provide for bond insurance provided by a bond insurer selected by the Institution.

(D) The Chairman and/or the Chief Executive Officer of the Issuer are hereby further authorized, on behalf of the Issuer, to designate any additional Authorized Representatives of the Issuer (as defined in and pursuant to the Indenture of Trust).

(E) The Chairman and/or the Chief Executive Officer of the Issuer are hereby further authorized to execute any documentation requested by the Underwriter to indicate the Issuer's approval of the Preliminary Official Statement and/or the Official Statement.

Section 6. The officers, employees and agents of the Issuer are hereby authorized and directed for and in the name and on behalf of the Issuer to do all acts and things required or provided for by the provisions of the Financing Documents, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of this Bond Resolution and to cause compliance by the Issuer with all of the terms, covenants and provisions of the Financing Documents binding upon the Issuer.

Section 7. All action taken by the Chief Executive Officer of the Issuer in connection with the Section 5(A) and (B) of this Bond Resolution, prior to the date of this Bond Resolution, is hereby ratified and confirmed.

Section 8. This Bond Resolution shall take effect immediately and the Series 2016A Bonds are hereby ordered to be issued in accordance with this Bond Resolution.

The question of the adoption of the foregoing Bond Resolution was duly put to a vote on roll call, which resulted as follows:

Charles Daniels, III, Chairman	VOTING	"Aye"
Timothy Dean, Vice Chairman	Being	ABSENT
Phyllis DiStasi Keenan, Secretary/Treasurer	Being	ABSENT
Angela E. Flesland, Assistant Secretary	VOTING	"Aye"
Edward Summers	VOTING	"Aye"
Mark Doyle	VOTING	"Aye"
Alfred D. Torreggiani	VOTING	"Aye"

The foregoing Bond Resolution was thereupon declared duly adopted.

Adopted: January 19, 2016

CERTIFICATION

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

I, the undersigned Assistant Secretary of the Dutchess County Local Development Corporation, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Dutchess County Local Development Corporation (the "Issuer"), including the resolution contained therein, held on the 19th day of January, 2016 with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Issuer and of such resolution set forth therein and of the whole of said original insofar as the same relates to the subject in matters therein referred to.

That the Financing Documents and the Series 2016A Bonds are approved by said meeting or as duly approved hereunder.

I FURTHER CERTIFY that public notice of the time and place of said meeting was duly given to the public and the news media in accordance with the New York Open Meetings Law, constituting Chapter 511 of the Laws of 1976 of the State of New York, that all members of said Issuer had due notice of said meeting and that the meeting was in all respects duly held.

I FURTHER CERTIFY that there was a quorum of the members of the Issuer present throughout said meeting.

I FURTHER CERTIFY that as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 19th day of January, 2016.



Angela E. Islesland, Assistant Secretary

[SEAL]

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BOND RESOLUTION

**DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION
REVENUE BONDS, SERIES 2016B
(HEALTH QUEST SYSTEMS, INC. PROJECT)**

A regular meeting of the Board of Directors of Dutchess County Local Development Corporation (the "Issuer") was convened in public session in the offices of the Issuer located at Three Neptune Road, Town of Poughkeepsie, Dutchess County, New York on June 3, 2016 at 8:00 o'clock a.m., local time.

The meeting was called to order by the Chairman of the Board of Directors of the Issuer and, upon roll being called, the following members of the Board of Directors of the Issuer were:

PRESENT: Charles Daniels III, Chairman
Phyllis DiStasi Keenan, Secretary/Treasurer
Angela E. Flesland, Assistant Secretary
Mark Doyle

ABSENT: Timothy Dean, Vice Chairman
Edward Summers
Alfred D. Torreggiani

ALSO PRESENT: Sarah Lee, Chief Executive Officer
Donald Cappillino, Counsel
William F. Weir, Bond Counsel

The following resolution was offered by Angela E. Flesland, and seconded by Mark Doyle, to wit:

RESOLUTION AUTHORIZING THE ISSUANCE, EXECUTION, SALE AND DELIVERY BY DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION OF ITS REVENUE BONDS, SERIES 2016B (HEALTH QUEST SYSTEMS, INC. PROJECT) IN THE AGGREGATE PRINCIPAL AMOUNT PRESENTLY ESTIMATED TO BE \$350,000,000 BUT NOT TO EXCEED \$385,000,000 AND THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS AND INSTRUMENTS IN CONNECTION THEREWITH.

RECITALS

WHEREAS, the Issuer was created pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as amended (the "Enabling Act"); and pursuant to the provisions of the Enabling Act and 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 (A) authorizing the incorporation of the Issuer under the Enabling Act, and (B) appointing the initial members of the Board of Directors of the Issuer; and 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, at the request of Health Quest Systems, Inc. (the "**Institution**"), a State of New York not-for-profit corporation exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "**Code**"), the Issuer proposes to issue its tax-exempt Revenue Bonds, Series 2016B (Health Quest Systems, Inc. Project) in the aggregate principal amount presently estimated to be \$350,000,000 but not to exceed \$385,000,000 (the "**Series 2016B Bonds**") 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 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**”); and

WHEREAS, in response to the receipt by the Issuer of an application received from the Institution, the Chairman of the Issuer (A) caused a notice of public hearing of the Issuer to hear all persons interested in the 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; (B) caused a notice of the public hearing to be mailed on April 26, 2016 to the Dutchess County Executive, the Mayor of the City of Poughkeepsie and the Superintendent of the Poughkeepsie City School District; (C) conducted the public hearing on May 12, 2016 at 10:00 o’clock, a.m., local time at the Dutchess County Legislative Chambers, 22 Market Street, 6th Floor, Poughkeepsie, (located in the City of Poughkeepsie, the Dutchess County Seat); 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

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law and the regulations adopted by the Department of Environmental Conservation of the State of New York (the laws and regulations hereinafter collectively referred to as “**SEQRA**”), the Series 2016B Project has undergone a coordinated review under SEQRA and reviewed by the City of Poughkeepsie Planning Board (the “**Planning Board**”), as Lead Agency under SEQRA and the Agency was named as an involved agency; and

WHEREAS, by resolution and determination dated May 17, 2016 the Planning Board made a Negative Declaration and Determination of Non-Significance with the reasons for its determination stated therein and the Agency is bound by the determination of the Planning Board; and

WHEREAS, on January 19, 2016, the Issuer’s Board of Directors adopted a resolution (the “**Original Resolution**”) approving a project for the Institution and its member hospitals consisting of the refinancing of certain bonds issued in 2007 for the benefit of the Institution and its member hospitals by the Dormitory Authority of the State of New York (the “**Series 2016A Project**”) and authorizing the issuance and sale of Revenue Refunding Bonds (Health Quest Systems, Inc. Project) (the “**Series 2016A Bonds**”) in an amount not to exceed \$50,000,000; and

WHEREAS, the Issuer will issue the Series 2016B Bonds under this resolution (the “**Bond Resolution**” or the “**Resolution**”), and will issue the Series 2016A Bonds under the Original Resolution; and

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WHEREAS, this Resolution is intended to supplement the Original Resolution, and except as supplemented herein, the Original Resolution remains in full force and effect; and

WHEREAS, the Series 2016A Bonds and Series 2016B Bonds will be issued simultaneously under an Indenture of Trust dated as of July 1, 2016 (the "**Indenture of Trust**") by and between the Issuer and The Bank of New York Mellon, as trustee (the "**Trustee**") for the holders of the Series 2016A Bonds, the Series 2016B Bonds and any additional bonds issued by the Issuer under the Indenture of Trust; and

WHEREAS, also simultaneously with the issuance of the Series 2016A Bonds and the Series 2016B Bonds, the Issuer and the Institution will execute and deliver a Loan Agreement dated as of July 1, 2016 (the "**Loan Agreement**") by and between the Issuer and the Institution, pursuant to the terms of which Loan Agreement the Institution will make certain payments to or upon the order of the Issuer, which payments shall include amounts equal to the debt service payments due on the Series 2016A Bonds and the Series 2016B Bonds; and

WHEREAS, pursuant to the terms of the Indenture of Trust, the net proceeds of the sale of the Series 2016B Bonds (the "**Bond Proceeds**") will be deposited into various trust funds held by the Trustee under the Indenture of Trust and will be disbursed by the Trustee to pay a portion of the Costs of the Series 2016B Project (as defined in the Indenture of Trust), but only upon satisfaction of the requirements for making such disbursements set forth in the Indenture of Trust and in the Loan Agreement; and

WHEREAS, as evidence of its indebtedness under the Loan Agreement, the Institution will execute a Series 2016B Promissory Note (the "**Series 2016B Promissory Note**") to the Issuer in the amount of the Series 2016B Bonds, which 2016B Promissory Note shall be assigned by the Issuer to the Trustee; and

WHEREAS, the Series 2016B Bonds will be initially purchased by Merrill Lynch, Pierce, Fenner & Smith Incorporated and Cain Brothers & Company, LLC, collectively, acting as underwriter for the Series 2016A Bonds and the Series 2016B Bonds (the "**Underwriters**") pursuant to a Bond Purchase Agreement dated a date to be determined (the "**Bond Purchase Agreement**") by and among the representative of the Underwriters, the Issuer and the Institution; and the Underwriters will utilize a Preliminary Official Statement (the "**Preliminary Official Statement**") and a final Official Statement (the "**Official Statement**") in connection with the offering of the Series 2016B Bonds (together with the Series 2016A Bonds); and the Underwriters also intend to obtain a rating of the Series 2016B Bonds from one or more securities rating agencies; and

WHEREAS, to assist the Underwriters in complying with the requirements of Rule 15c2-12 of the Securities and Exchange Commission, the Institution will execute and deliver to the Underwriters and Digital Assurance Certification, L.L.C. a Continuing Disclosure Agreement dated as of July 1, 2016 (the "**Continuing Disclosure Agreement**") relating to the Series 2016A Bonds and the Series 2016B Bonds; and the Series 2016B Bonds will be issued as "book-entry-

only” obligations to be held by The Depository Trust Company, as depository for the Series 2016B Bonds; and

WHEREAS, to demonstrate compliance with the provisions of the Code relating to the issuance of tax-exempt obligations, (A) the Issuer will execute a completed Internal Revenue Service Form 8038 (Information Return for Private Activity Bonds) relating to the Bonds (the “**Information Return**”) pursuant to Section 149(e) of the Code, and file the Information Return with the Internal Revenue Service; and (B) the Issuer and the Institution will execute a Tax Regulatory Agreement dated the date of delivery of the Series 2016B Bonds (the “**Tax Regulatory Agreement**”) relating to the requirements in Sections 145 through 150 of the Code relating to the Series 2016A Bonds and the Series 2016B Bonds; and

WHEREAS, the Issuer now desires to (A) authorize or ratify and confirm, (as applicable) the circulation of the Preliminary Official Statement in connection with the marketing of the Series 2016B Bonds, (B) authorize the circulation of the Official Statement in connection with the marketing of the Series 2016B Bonds, and (C) authorize the issuance of the Series 2016B Bonds for the purpose of paying a portion of the Costs of the Series 2016B Project, delegating to the Chairman and/or the Chief Executive Officer of the Issuer authority to determine the final details of the Series 2016B Bonds (the “**Bond Details**”) once the marketing of the Series 2016B Bonds is completed and the Institution has agreed to the Bond Details including, if applicable, the securing of bond insurance from a bond insurer on such terms as the Institution may agree.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BOARD OF DIRECTORS OF DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION, AS FOLLOWS:

Section 1. The Issuer hereby finds and determines that:

(A) By virtue of the Certificate of Incorporation, the Amendment to the Certificate of Incorporation and the Enabling Act, the Issuer has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Enabling Act and to exercise all powers granted to it under the Enabling Act; and

(B) The Series 2016B Project and the financing thereof with the proceeds of the loan to the Institution will relieve and reduce unemployment, promote and provide for additional and maximum employment and better and maintain job opportunities, and thereby lessen the burdens of government;

(C) The actions herein will not have a significant adverse effect upon the environment pursuant to SEQRA for the reasons set forth in the Recitals to this Resolution; and

(D) It is desirable and in the public interest for the Issuer to issue and sell its Series 2016B Bonds upon the terms and conditions set forth in the Indenture of Trust and the Bond Purchase Agreement and as determined by the Chairman

and/or the Chief Executive Officer of the Issuer once the marketing of the Bonds is completed and the Institution has agreed to the Bond Details.

Section 2. In consequence of the foregoing, the Issuer hereby determines to: (A) issue the Series 2016B Bonds on the terms and conditions set forth in the Indenture of Trust and the Bond Purchase Agreement; (B) sell the Series 2016B Bonds to the initial purchaser thereof pursuant to the terms set forth in the Indenture of Trust and the Bond Purchase Agreement; (C) use the proceeds of the Series 2016B Bonds to make the loan to the Institution for the purpose of paying a portion of the Costs of the Series 2016B Project; (D) authorize the use of the Official Statement in connection with the sale of the Series 2016B Bonds; and (E) execute any and all related documents, instruments, and certificates.

Section 3. The form and substance of the Loan Agreement, the Indenture of Trust, the Series 2016B Bonds, the Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement, and any documents necessary and incidental thereto including, but not limited to, any documents approved by counsel to the Issuer (collectively, the “**Issuer Documents**”) are hereby approved.

Section 4. The Issuer is hereby authorized to issue, execute, sell and deliver to the Trustee for authentication the Series 2016B Bonds to pay a portion of the Costs of the Series 2016B Project, in the form and in the amount and containing the other provisions determined by the Chairman and/or the Chief Executive Officer of the Issuer, and the Chairman and/or Chief Executive Officer of the Issuer is hereby authorized to deliver said Series 2016B Bonds to the purchasers thereof against receipt of the purchase price thereof, all pursuant to the Enabling Act and in accordance with the provisions of the Indenture of Trust, this Bond Resolution, and the Bond Purchase Agreement, provided that:

(A) The Series 2016B Bonds authorized to be issued, executed, sold and delivered pursuant to this Section 4 shall (1) be issued, executed and delivered at such time as the Chairman and/or the Chief Executive Officer of the Issuer shall determine, and (2) bear interest at the rate or rates, be issued in such form, be subject to redemption prior to maturity and have such other terms and provisions and be issued in such manner and on such conditions as are set forth in the Bonds, the Indenture of Trust and the Bond Purchase Agreement, or as are hereinafter approved by the Chairman and/or the Chief Executive Officer of the Issuer in accordance with Section 5 hereof, which terms are specifically incorporated herein by reference with the same force and effect as if fully set forth in this Bond Resolution.

(B) The Series 2016B Bonds shall be issued solely for the purpose of providing funds to finance the costs of the Series 2016B Project as described in the Financing Documents (as hereinafter defined) and the administrative, legal, financial and other expenses of the Issuer in connection with the loan and the Series 2016B Project and incidental to the issuance of the Series 2016B Bonds.

(C) Neither the members, directors nor officers of the Issuer, nor any person executing the Series 2016B Bonds or any of the Financing Documents (as hereinafter defined) on behalf of the Issuer, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution, issuance or delivery thereof. The Series 2016B Bonds and the interest thereon are not and shall never be a debt of the State of New York, or Dutchess County, New York or any political subdivision thereof, and neither the State of New York, or Dutchess County, New York nor any political subdivision thereof shall be liable thereon.

(D) The Series 2016B Bonds, together with interest payable thereon, shall be special obligations of the Issuer payable solely from certain of the revenues and receipts derived from repayment of the loan or from the enforcement of the security provided by the Financing Documents (as hereinafter defined) and the other security pledged to the payment thereof.

Section 5. (A) Upon receipt of advice from counsel to the Issuer that the Preliminary Official Statement is in substantially final form, the Issuer hereby delegates to the Chairman and/or the Chief Executive Officer of the Issuer the authority to (or, as applicable, ratifies and confirms the actions of the Chairman and/or the Chief Executive Officer to) (1) deem the Preliminary Official Statement final (except for the permitted omissions described in paragraph (b)(1) of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended) by executing a certificate to that effect, (2) authorize the Underwriters to circulate the Preliminary Official Statement and (3) execute and deliver any other documents or agreements requested by the Underwriters in connection with the circulation of the Preliminary Official Statement by the Underwriters.

(B) Upon receipt of advice from counsel to the Issuer that the Issuer has received from the Underwriters the results of the initial marketing of the Series 2016B Bonds and has received from the Institution evidence that the Institution has accepted the results of the marketing of the Series 2016B Bonds, the Issuer hereby delegates to the Chairman and/or the Chief Executive Officer of the Issuer the authority to (1) execute and deliver the Bond Purchase Agreement on behalf of the Issuer and (2) determine, on behalf of the Issuer, the final Bond Details.

(C) The Chairman and/or the Chief Executive Officer of the Issuer are hereby authorized, on behalf of the Issuer, to execute and deliver the Issuer Documents and the other documents related thereto (collectively with the Issuer Documents, the "**Financing Documents**"), and, where appropriate, the Secretary (or Assistant Secretary) of the Issuer is hereby authorized to affix the seal of the Issuer thereto and to attest the same, all in substantially the form thereof presented to this meeting, with such changes, variations, omissions and insertions as the Chairman and/or the Chief Executive Officer shall approve, the execution thereof by the Chairman and/or the Chief Executive Officer to constitute conclusive evidence of such approval including such changes to the Financing Documents as are deemed appropriate by the Chairman and/or the Chief Executive Officer of the Issuer to provide for bond insurance provided by a bond insurer selected by the Institution.

(D) The Chairman and/or the Chief Executive Officer of the Issuer are hereby further authorized, on behalf of the Issuer, to designate any additional Authorized Representatives of the Issuer (as defined in and pursuant to the Indenture of Trust).

(E) The Chairman and/or the Chief Executive Officer of the Issuer are hereby further authorized to execute any documentation requested by the Underwriters to indicate the Issuer's approval of the Preliminary Official Statement and/or the Official Statement.

Section 6. The officers, employees and agents of the Issuer are hereby authorized and directed for and in the name and on behalf of the Issuer to do all acts and things required or provided for by the provisions of the Financing Documents, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of this Bond Resolution and to cause compliance by the Issuer with all of the terms, covenants and provisions of the Financing Documents binding upon the Issuer.

Section 7. All action taken by the Chief Executive Officer of the Issuer in connection with the Section 5(A) and (B) of this Bond Resolution, prior to the date of this Bond Resolution, is hereby ratified and confirmed.

Section 8. This Bond Resolution shall take effect immediately and the Series 2016B Bonds are hereby ordered to be issued in accordance with this Bond Resolution.

Section 9. This Bond Resolution supplements the Original Resolution, and except as supplemented herein, the Original Resolution shall remain in full force and effect.

The question of the adoption of the foregoing Bond Resolution was duly put to a vote on roll call, which resulted as follows:

Charles Daniels, III, Chairman	VOTING	"Aye"
Timothy Dean, Vice Chairman	Being	ABSENT
Phyllis DiStasi Keenan, Secretary/Treasurer	VOTING	"Aye"
Angela E. Flesland, Assistant Secretary	VOTING	"Aye"
Edward Summers	Being	ABSENT
Mark Doyle	VOTING	"Aye"
Alfred D. Torreggiani	Being	ABSENT

The foregoing Bond Resolution was thereupon declared duly adopted.

Adopted: June 3, 2016

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CERTIFICATION

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

I, the undersigned Secretary of the Dutchess County Local Development Corporation, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Dutchess County Local Development Corporation (the "Issuer"), including the resolution contained therein, held on the 3rd day of June, 2016 with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Issuer and of such resolution set forth therein and of the whole of said original insofar as the same relates to the subject in matters therein referred to.


That the Financing Documents and the Series 2016B Bonds are approved by said meeting or as duly approved hereunder.

I FURTHER CERTIFY that public notice of the time and place of said meeting was duly given to the public and the news media in accordance with the New York Open Meetings Law, constituting Chapter 511 of the Laws of 1976 of the State of New York, that all members of said Issuer had due notice of said meeting and that the meeting was in all respects duly held.

I FURTHER CERTIFY that there was a quorum of the members of the Issuer present throughout said meeting.

I FURTHER CERTIFY that as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 3rd day of June, 2016.



Phyllis DiStasi Keenan, Secretary

[SEAL]