

**PRELIMINARY RESOLUTION
THE CULINARY INSTITUTE OF AMERICA SERIES 2016 BONDS**

A special meeting of the Dutchess County Local Development Corporation (the “**Issuer**”) was convened in public session on June 3, 2016 at 8:00 a.m., local time, at the Dutchess County Local Development Corporation’s Offices, Three Neptune Road, Poughkeepsie, New York.

The meeting was called to order by the Chairman, with the following members being:

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

ABSENT: Timothy Dean, Vice Chairman
Edward Summers

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

On motion duly made by Phyllis DiStasi Keenan and seconded by Alfred D. Torreggiani, the following resolution (the “**Resolution**”) was placed before the members of the Issuer:

Resolution (i) Taking official action toward the issuance of an amount presently estimated to be approximately \$38,000,000 and in any event not to exceed \$40,000,000 principal amount of Tax-Exempt Revenue Bonds, Series 2016 (The Culinary Institute of America Project); and (ii) Authorizing the execution and delivery of an agreement by and between the Issuer and The Culinary Institute of America with respect to the financing and refinancing of the Project.

WHEREAS, the Issuer was duly formed under §102(a)(5) of the New York Not-for-Profit Corporation Law (“**N-PCL**”) as a local development corporation, a Type C Corporation under §201 of the N-PCL, for the purpose of conducting activities that will: relieve and reduce unemployment in Dutchess County, New York (the “**County**”); promote and provide for additional and maximum employment in the County; better and maintain job opportunities in the County; instruct or train individuals in the County to improve or develop their capabilities for such jobs; carry on scientific research for the purpose of aiding the County by attracting new industry to the County; encourage the development of, or retention of, an industry in the County; and lessen the burdens of government and acting in the public interest; and

WHEREAS, the Issuer's corporate powers include, but are not limited to, the power to finance facilities for education corporations, acquire, improve, maintain, equip and furnish projects, to lease such projects and collect rent; to sell and convey any and all of its property, to loan the proceeds of its bonds to not-for-profit corporations and other entities whenever the Board of Directors of the Issuer shall find such action to be in furtherance of the purposes for which it was organized; and to issue bonds for the purpose of carrying out any of its powers; all bonds to be payable solely out of revenues and receipts derived from the leasing or sale by the Issuer of its projects; and

WHEREAS, The Culinary Institute of America, a New York education 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 to be located at the Institution's campus located at 1946 Campus Drive, Hyde Park, New York 12583 (the "**Campus**"). The Project consists of the following:

- (1) the refunding of a portion of the Dormitory Authority of the State of New York's ("**DASNY**") The Culinary Institute of America Revenue Bonds, Series 2004A (the "**Series 2004A Bonds**"), in the original principal amount of \$9,760,000, with a principal amount currently outstanding in the approximate sum of \$6,045,000, and The Culinary Institute of America Revenue Bonds, Series 2004C (the "**Series 2004C Bonds**"), in the original and outstanding principal amount of \$23,725,000 (the Series 2004A Bonds and the Series 2004C Bonds are collectively referred to herein as the "**Series 2004 Bonds**"), the proceeds of which Series 2004 Bonds were used for: (a) the construction on the Campus of four three-story student dormitory facilities, each with approximately 25,000 square feet and approximately 73 beds; (b) the reconfiguration and expansion of existing surface parking facilities on the Campus resulting in the net addition of approximately 350 parking spaces (subsections (a) and (b) shall be referred to herein as, the "**Series 2004 Facility**"); and (c) the advance refunding of DASNY's Culinary Institute of America Insured Revenue Bonds, Series 1997 (the "**Series 1997 Bonds**"), the proceeds of which were used to fund the construction of a new 54,000 square foot student recreation center on the Campus which included, among other things, athletic facilities, a student restaurant, a kitchen, a multi-purpose room, a lounge, and a student activities office (the "**Series 1997 Facility**");
- (2) the financing of new improvements at the Campus, including creating a new teaching bakeshop and other renovations to teaching kitchens including renovations to air conditioning systems, air handlers, and hoods, repair and replace floor, wall and ceiling tiles and replace aged equipment; restaurant improvements including renovation to the Apple Pie Bakery and other restaurant improvements including replacement of aged refrigeration, repair

and replacement of flooring, painting, furniture and bathrooms; improvements to residence halls including completion of window replacement, elevator jacks, carbon dioxide and smoke detector replacement, repair and replacement of exterior trim, lighting, flooring, painting and window blinds, replacement of pool pack and refinishing gym and racquetball court flooring in the Student Commons; renovating the main floor of the Library; Roth Hall bathroom renovations, carpet replacement, replacement of wood flooring and lobby furniture replacement; and exterior improvements including courtyard of Hudson Hall and plaza of the Library, campus wide curbing, sidewalk and stair case repairs, resurfacing roadways and parking lots (collectively, the “**Series 2016 Facility**”, and together with the Series 1997 Facility and the Series 2004 Facility, the “**Facility**”);

- (3) Funding any debt service reserve fund to be pledged to secure the Series 2016 Bonds (as defined below);
- (4) Paying certain incidental expenses incurred in connection therewith;
- (5) Paying redemption premiums in connection with the Series 2004 Bonds and the costs of terminating any interest rate swap in connection with the Series 2004C Bonds;
- (6) 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, together with the necessary incidental costs in connection therewith (including the costs described in paragraphs (4) and (5) BAD CROSS REFERENCE?), all presently estimated to be Thirty-Eight Million and 00/100 Dollars (\$38,000,000) but not to exceed Forty Million and 00/100 Dollars (\$40,000,000) (the “**Series 2016 Bonds**”); and
- (7) The granting of certain other financial assistance with respect to the foregoing, including potential exemptions from mortgage recording taxes (collectively with the Series 2016 Bonds, the “**Financial Assistance**”); 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 Issuer must determine whether the financing and refinancing of the Facility by the Issuer may have a significant effect on the environment and therefore require the preparation of an Environmental Impact Statement; and

WHEREAS, to aid the Issuer in determining whether the financing, refinancing, renovation, installation, furnishing, equipping and improving of the Facility may have a significant

impact on the environment, the Institution has prepared and submitted to the Issuer an application and a Short Environmental Assessment Form (the "EAF") for the Facility; and

WHEREAS, the Issuer has not yet made a determination under SEQRA but shall do so prior to the final approval of financing for this project; and

WHEREAS, the Issuer has not yet held a hearing pursuant to §147(f) of the Internal Revenue Code of the 1986, as amended; and

WHEREAS, although the resolution authorizing the issuance of the Series 2016 Bonds has not yet been presented for approval by the Issuer, a Preliminary Agreement relative to the proposed issuance of the Series 2016 Bonds by the Issuer has been presented for approval by the Issuer.

NOW, THEREFORE, BE IT RESOLVED by the Issuer, as follows:

1. Based upon the representations made by the Institution to the Issuer, the Issuer hereby finds and determines that:

- (a) The Project constituted, and continues to constitute, a project within the scope of the corporate powers of the Issuer and is consistent with its corporate purposes in that the financing and refinancing of the Project by the Issuer, through the issuance of the Series 2016 Bonds will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the County, and improve their standard of living; and
- (b) It is desirable and in the public interest to issue the Series 2016 Bonds in the aggregate principal amount presently estimated to be Thirty-Eight Million and 00/100 Dollars (\$38,000,000) but not to exceed Forty Million and 00/100 Dollars (\$40,000,000) for the purpose of financing and refinancing the Project, together with the necessary expenses in connection therewith.

2. Subject to the conditions set forth in Section 3 of this Resolution, the Issuer will:

- (a) issue the Series 2016 Bonds in an amount presently estimated to be Thirty-Eight Million and 00/100 Dollars (\$38,000,000) but not to exceed Forty Million and 00/100 Dollars (\$40,000,000.00), the particular amount, maturities, interest rate, redemption terms and other terms and provisions to be determined by a further resolution of the Issuer;

- (b) loan the proceeds of the Series 2016 Bonds to the Institution pursuant to a loan agreement by and between the Issuer and the Institution, whereby the Institution will be obligated under such agreement or loan agreement, as the case may be, among other things to make payments to the Issuer in amounts and at times so that payments will be adequate to pay the principal of, premium, if any, and interest on all such Series 2016 Bonds; and
- (c) secure the Series 2016 Bonds in such manner as the Issuer, the Institution or the purchasers of the Series 2016 Bonds mutually deem appropriate. The Issuer shall not be required to incur and shall not incur any financial liability with respect to the Project.

3. The issuance of the Series 2016 Bonds, as contemplated by Section 2 of this Resolution, shall be subject to:

- (a) execution and delivery by the Institution of the Preliminary Agreement attached hereto as Exhibit "A" setting forth certain conditions for the issuance of the Series 2016 Bonds;
- (b) agreement among the Issuer, the Institution and the purchaser of the Series 2016 Bonds on mutually acceptable terms for the Series 2016 Bonds and for the sale and delivery thereof and mutually acceptable terms and conditions for the security for the payment thereof;
- (c) a determination made by the Issuer under SEQRA that the Facility will not have an adverse environmental impact;
- (d) approval of the issuance of the Series 2016 Bonds in accordance with the provisions of §147(f) of the Internal Revenue Code of 1986, as amended; and
- (e) receipt by the Issuer of evidence that all required approvals, in connection with the issuance of the Series 2016 Bonds has been obtained.

4. The form and substance of a proposed agreement (in substantially the form presented to this meeting) by and between the Issuer and the Institution setting forth the undertakings of the Issuer and the Institution with respect to the issuance of the Series 2016 Bonds and the providing of the Project (the "**Preliminary Agreement**") are hereby approved. The Chief Executive Officer and/or Chairman (or Vice Chairman) of the Issuer is hereby authorized, on behalf of the Issuer, to execute and deliver the Preliminary Agreement and the Secretary (or Assistant Secretary) of the Issuer is hereby authorized to affix the seal of the Issuer hereto and to attest to this meeting, with such changes in terms and conditions as the Chief Executive Officer or Chairman (or Vice Chairman) shall constitute conclusive evidence of such approval.

5. The law firm of Nixon Peabody LLP, Rochester, New York, is hereby appointed Bond Counsel to the Issuer in relation to the issuance of the Series 2016 Bonds.

6. Based upon the information provided by the Institution to the Issuer in the Institution's application for financing, the Issuer reasonably expects that expenditures to be incurred by the Institution in connection with the Project prior to the date of issuance and sale of the Series 2016 Bonds, in an amount presently estimated to be Thirty-Eight Million and 00/100 Dollars (\$38,000,000) but not to exceed Forty Million and 00/100 Dollars (\$40,000,000.00) will be reimbursed to the Institution out of the proceeds of the Series 2016 Bonds. It is intended that this resolution shall constitute a declaration of official intent under United States Treasury Regulation 1.150-2.

7. Counsel to the Issuer and Bond Counsel for the Issuer are hereby authorized to work with counsel to the Institution and others to prepare for submission to the Issuer, all documents necessary to effect the authorization, issuance, and sale of the Series 2016 Bonds. The Institution shall be responsible for the fees of Issuer, Issuer's Counsel and Bond Counsel in relation to the Project and the financing thereof.

8. The Chairman (or Vice Chairman) of the Issuer is hereby authorized and directed to distribute copies of this Resolution to the Institution and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution. The Chief Executive Officer and/or Chairman (or Vice Chairman) of the Issuer is hereby authorized, empowered and directed to cause a public hearing concerning this Project to be conducted after due notice by publication in accordance with law and is further authorized to appoint counsel or co-counsel to the Issuer as designee to conduct the public hearing. The Issuer hereby appoints each Member of the Issuer and the Issuer Counsel to serve as an Assistant Secretary of the Issuer for purposes of this Project.

9. This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to 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

VOTING

“Aye”

The Resolution was thereupon declared duly adopted.

Adopted: June 3, 2016

EXHIBIT A