

**PRELIMINARY RESOLUTION
(Anderson Center Services, Inc. Project Series 2021)**

A regular meeting of the Dutchess County Local Development Corporation (the “**Issuer**”), having offices at Three Neptune Road, Poughkeepsie, New York, was convened in public session on May 12, 2021 at 8:10 a.m., local time. Because of the Novel Coronavirus (COVID-19) Emergency and State and Federal bans on large meetings or gatherings and pursuant to Governor Cuomo’s Executive Order 202.1, as extended, suspending certain requirements of the Open Meetings Law, the meeting was held electronically via webinar with teleconference access made available to the public, instead of a public meeting open for the public to attend in person.

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

PRESENT: Timothy Dean, Chairman
Mark Doyle, Vice Chairman
Kathleen M. Bauer, Secretary/ Treasurer
Alfred D. Torreggiani
Donald R. Sagliano
Ronald J. Piccone, II

ABSENT: Amy L. Bombardieri

ALSO PRESENT: Sarah Lee, Chief Executive Officer
Marilyn Yerks, Chief Financial Officer
Donald Cappillino, Counsel
Elizabeth A. Cappillino, Counsel

On motion duly made by Donald R. Sagliano 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 \$10,000,000.00 and in any event not to exceed \$13,000,000 principal amount of Revenue Bonds (Anderson Center Services, Inc. Refunding Project) Series 2021; and (ii) Authorizing the execution and delivery of an agreement by and between the Issuer and Anderson Center Services, Inc. with respect to the financing 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 not-for-profit 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 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, Anderson Center Services, Inc., a New York not-for-profit corporation (the "**Institution**"), submitted an application to the Issuer (the "**Application**"), 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 Institution consisting of the following (the "**Project**"):

(I) (A) the refunding of all or a portion of the Issuer's Tax-Exempt Revenue Bonds (Anderson Center Services, Inc. Project), Series 2010 in the original aggregate principal amount of \$17,275,000 (the "**Series 2010 Bonds**"), which Series 2010 Bonds were issued for the purpose of financing a portion of the costs of a project (the "**Prior Project**") consisting of the following: (i) (1) (a) the reconstruction and renovation of an existing building known as Malcolm Hall, containing in the aggregate an amount not to exceed approximately 25,000 square feet of space (the "**Existing Building**") and located on a 100 +/- acre parcel of land having tax map numbers of 6066-02-709698-0000 and 6066-02-778644-0000 with a mailing address of 4885 Route 9 in the Hamlet of Staatsburg in the Town of Hyde Park, Dutchess County, New York (the "**Land**"), or (b), in the alternative, the demolition of the Existing Building and the construction of a new building to contain an amount not to exceed approximately 25,000 square feet of space (the "**New Building**") to replace the demolished Existing Building, (2) the construction on the Land of a new recreation center, two (2) new residence halls and a new waste water treatment plant to contain an amount in the aggregate not to exceed approximately 20,000 square feet of space (collectively, the "**New Facilities**"), (3) the undertaking of various and miscellaneous improvements to the other existing buildings located on the Land (collectively, the "**Existing Facilities**") (the Existing Building, the New Building, if applicable, the New Facilities and the Existing Facilities hereinafter collectively referred to as the "**Facility**"), and (4) the acquisition and installation thereon and therein of various machinery and equipment (collectively, the "**Equipment**") (the Land, the Facility and the Equipment hereinafter collectively referred to as the "**Project Facility**"), all of the foregoing to constitute the reconstruction, renovation, construction and upgrading of the Project Facility for use by the Institution as an educational facility for disabled children and other directly and indirectly related activities; (ii) funding the debt service reserve fund for the Series 2010 Bonds; and (iii) paying of all or a portion of the costs of issuance of the Series 2010 Bonds; (B) the financing of all or a portion of the costs of the

foregoing by the issuance of tax-exempt/taxable 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 necessary incidental costs in connection therewith, in an amount then estimated to be approximately \$10,000,000 and in any event not to exceed \$13,000,000 (the “Obligations”); (C) the paying a portion of the costs incidental to the issuance of the Obligations, including issuance costs of the Obligations, any hedge termination fees and any reserve funds as may be necessary to secure the Obligations and (D) the making of a loan (the “Loan”) of the proceeds of the Obligations to the Institution or such other person as may be designated by the Institutional and agreed upon by the Issuer; and

(II) The granting of certain other financial assistance with respect to the foregoing, including potential exemptions from mortgage recording taxes (collectively with the Obligations, the “**Financial Assistance**”); and

WHEREAS, the acquisition, construction and installation of the Prior Project is complete; 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 of the Project 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, construction, installation, furnishing, equipping and improving of the Project may have a significant impact on the environment, the Institution has prepared and submitted to the Issuer, along with the application, a Short Environmental Assessment Form dated March 30, 2021 (the “**EAF**”) for the Project; and

WHEREAS, pursuant to the EAF and based on a review of the Application and representations by the Institution, the Project constitutes a refinancing of the Institution’s existing debt, which is a Type II action under 6 NYCRR §617.5(c)(29), and therefor that no further action with respect to the Project is required under SEQRA; and

WHEREAS, the Issuer has not yet held a hearing pursuant to the Issuer’s existing policy nor pursuant to §147(f) of the Internal Revenue Code of the 1986, as amended; and

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

NOW, THEREFORE, BE IT RESOLVED by the Dutchess County Local Development Corporation, as follows:

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

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 of the Project by the Issuer, through the issuance of the Obligations will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of Dutchess County, New York, and improve their standard of living; and
- (b) It is desirable and in the public interest to issue the Obligations in the aggregate principal amount presently estimated to be Ten Million and 00/100 Dollars (\$10,000,000.00) but not to exceed Thirteen Million and 00/100 Dollars (\$13,000,000) for the purpose of financing the Project, together with the necessary expenses in connection therewith; and
- (c) Since this Project is a refinancing of the Institution's existing debt, pursuant to 6 NYCRR §617.5(c)(29) it is a Type II action and therefore that no further action with respect to the Project is required under SEQRA.

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

- (a) issue the Obligations in an amount presently estimated to be Ten Million and 00/100 Dollars (\$10,000,000.00) but not to exceed Thirteen Million and 00/100 Dollars (\$13,000,000), the particular amount, series, 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 Obligations 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 Obligations; and
- (c) secure the Obligations in such manner as the Issuer, the Institution or the purchasers of the Obligations 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 Obligations, as contemplated by Section 2 of this Resolution, and the findings and determinations set forth in 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 Obligations;
- (b) agreement by the Issuer, the Institution and the purchaser of the Obligations on mutually acceptable terms for the Obligations and for the sale and delivery thereof and mutually acceptable terms and conditions for the security for the payment thereof;
- (c) approval of the issuance of the Obligations in accordance with the provisions of §147(f) of the Internal Revenue Code of 1986, as amended; and
- (d) receipt by the Issuer of evidence that all required approvals, in connection with the issuance of the Obligations 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 Obligations 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 are 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) of the Issuer shall constitute conclusive evidence of such approval.

5. [Reserved].

6. The law firm of Hodgson Russ LLP, Albany, New York, is hereby appointed Bond Counsel to the Issuer in relation to the issuance of the Obligations. The Issuer has been informed that Hodgson Russ LLP has acted as counsel to Manufacturers and Traders Trust Company and various affiliates on unrelated matters. The Issuer hereby waives any potential conflict resulting from Hodgson Russ LLP acting as counsel to Manufacturers and Traders Trust Company and various affiliates of Manufacturers and Traders Trust Company on such other unrelated matters and authorizes the Chief Executive Officer and/or the (Vice) Chairman to execute any document or documents evidencing such waiver.

7. 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 Obligations will be reimbursed to the Institution out of the proceeds of the Obligations. It is

intended that this resolution shall constitute a declaration of official intent under United States Treasury Regulation 1.150-2.

8. 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 Obligations. The Institution shall be responsible for the fees of Issuer, Issuer's Counsel and Bond Counsel in relation to this Project and the financing thereof.

9. The Chief Executive Officer and/or 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 to serve as an Assistant Secretary of the Issuer for purposes of this transaction.

10. 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:

Timothy Dean, Chairman	VOTING	"Aye"
Mark Doyle, Vice Chairman	VOTING	"Aye"
Kathleen M. Bauer, Secretary/Treasurer	VOTING	"Aye"
Alfred D. Torreggiani	VOTING	"Aye"
Donald R. Sagliano	VOTING	"Aye"
Ronald J. Piccone, II	VOTING	"Aye"
Amy L. Bombardieri	Being	ABSENT

The Resolution was thereupon declared duly adopted.

Adopted: May 12, 2021

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 minutes of the meeting of the Dutchess County Local Development Corporation (the "Issuer"), including the resolution contained therein, held on May 12, 2021, 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 and original insofar as the same related to the subject matters herein referred to.

That the Preliminary Agreement annexed hereto as Exhibit "A" is in substantially the same form presented to and approved at such meeting.

I FURTHER CERTIFY, that all members of said Issuer had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and that public notice of the time and place of said meeting was only given in accordance with such Article 7, except that because of the Novel Coronavirus (COVID-19) Emergency and State and Federal bans on large meetings or gatherings and pursuant to Governor Cuomo's Executive Order 202.1 issued on March 12, 2020, as extended, suspending certain requirements of the Open Meetings Law, the meeting was held electronically via webinar with teleconference access made available the public, instead of a public meeting open for the public to attend in person.

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 and affixed the seal of said Issuer as of the 12th day of May, 2021.


Kathleen M. Bauer, Secretary

[SEAL]

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

PRELIMINARY AGREEMENT
Anderson Center Services, Inc. Project Series 2021

THIS PRELIMINARY AGREEMENT (the “Preliminary Agreement”), made as of May 12, 2021 between the **DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION**, a not-for-profit corporation, organized and existing under the Not-For-Profit Corporation Law of the State of New York, having offices at Three Neptune Road, Poughkeepsie, New York 12601 (the “Issuer”) and **ANDERSON CENTER SERVICES, INC.**, a New York not-for-profit corporation, organized and existing under the Laws of the State of New York, having offices at 4885 Route 9, P.O. Box 367, Staatsburg, New York 12580 (the “Institution”).

WHEREAS, the Dutchess County Local Development Corporation (the “Issuer”) was duly formed under §102(a)(5) of the New York Not-for-Profit Company Law (“N-PCL”) as a local development corporation, a Type C Company 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; or by encouraging the development of, or retention of, an industry in the County; and lessening 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 not-for-profit 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 whenever the Board of Directors 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, Anderson Center Services, Inc., a New York not-for-profit corporation (the “**Institution**”), submitted an application to the Issuer (the “**Application**”), 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 Institution consisting of the following (the “**Project**”):

(I) (A) the refunding of all or a portion of the Issuer’s Tax-Exempt Revenue Bonds (Anderson Center Services, Inc. Project), Series 2010 in the original aggregate principal amount of \$17,275,000 (the “**Series 2010 Bonds**”), which Series 2010 Bonds were issued for the purpose of financing a portion of the costs of a project (the “**Prior Project**”) consisting of the following: (i) (1) (a) the reconstruction and renovation of an existing building known as Malcolm Hall, containing in the aggregate an amount not to exceed approximately 25,000 square feet of space (the “**Existing Building**”) and located on a 100 +/- acre parcel of land having tax map numbers of 6066-02-709698-0000 and 6066-02-778644-0000 with a mailing address of 4885 Route 9 in the Hamlet of Staatsburg in the

Town of Hyde Park, Dutchess County, New York (the “Land”), or (b), in the alternative, the demolition of the Existing Building and the construction of a new building to contain an amount not to exceed approximately 25,000 square feet of space (the “New Building”) to replace the demolished Existing Building, (2) the construction on the Land of a new recreation center, two (2) new residence halls and a new waste water treatment plant to contain an amount in the aggregate not to exceed approximately 20,000 square feet of space (collectively, the “New Facilities”), (3) the undertaking of various and miscellaneous improvements to the other existing buildings located on the Land (collectively, the “Existing Facilities”) (the Existing Building, the New Building, if applicable, the New Facilities and the Existing Facilities hereinafter collectively referred to as the “Facility”), and (4) the acquisition and installation thereon and therein of various machinery and equipment (collectively, the “Equipment”) (the Land, the Facility and the Equipment hereinafter collectively referred to as the “Project Facility”), all of the foregoing to constitute the reconstruction, renovation, construction and upgrading of the Project Facility for use by the Institution as an educational facility for disabled children and other directly and indirectly related activities; (ii) funding the debt service reserve fund for the Series 2010 Bonds; and (iii) paying of all or a portion of the costs of issuance of the Series 2010 Bonds; (B) the financing of all or a portion of the costs of the foregoing by the issuance of tax-exempt/taxable 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 necessary incidental costs in connection therewith, in an amount then estimated to be approximately \$10,000,000 and in any event not to exceed \$13,000,000 (the “Obligations”); (C) the paying a portion of the costs incidental to the issuance of the Obligations, including issuance costs of the Obligations, any hedge termination fees and any reserve funds as may be necessary to secure the Obligations and (D) the making of a loan (the “Loan”) of the proceeds of the Obligations to the Institution or such other person as may be designated by the Institutional and agreed upon by the Issuer; and

(II) The granting of certain other financial assistance with respect to the foregoing, including potential exemptions from mortgage recording taxes (collectively with the Obligations, the “**Financial Assistance**”); and

WHEREAS, the acquisition, construction and installation of the Prior Project is complete; 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 of the Project 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, construction, installation, furnishing, equipping and improving of the Project may have a significant impact on the environment, the Institution has prepared and submitted

to the Issuer, along with the application, a Short Environmental Assessment Form dated March 30, 2021 (the “EAF”) for the Project; and

WHEREAS, pursuant to the EAF and based on a review of the Application and representations by the Institution, the Project constitutes a refinancing of the Institution’s existing debt, which is a Type II action under 6 NYCRR §617.5(c)(29), and therefor that no further action with respect to the Project is required under SEQRA; and

WHEREAS, the Issuer has determined that the financing of the Project will promote and further its corporate purposes; and

WHEREAS, on May 12, 2021, the Issuer adopted a Preliminary Resolution (the “Preliminary Resolution”) authorizing the Project and the execution of this Preliminary Agreement; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Issuer and the Institution agree as follows:

1. Undertakings of the Issuer. Based upon the statements, representations, and undertakings of the Institution and subject to the conditions set forth herein and in the Preliminary Resolution, the Issuer agrees as follows:

(a) The Issuer shall authorize, sell, and deliver the Obligations, pursuant to the terms of the Act as then in force, in an aggregate principal amount presently estimated to be Ten Million and 00/100 Dollars (\$10,000,000.00) but not to exceed Thirteen Million and 00/100 Dollars (\$13,000,000) for the purpose of financing the Project and paying necessary incidental expenses in connection therewith, and funding any debt service reserve fund to be pledged to secure the Obligations.

(b) The Issuer shall adopt, or cause to be adopted, such proceedings and authorize the execution of such documents as may be necessary or advisable for (i) the authorization, issuance, and sale of the Obligations, and (ii) the loaning of the proceeds of the Obligations to the Institution, all as shall be authorized by law and be mutually satisfactory to the Issuer and the Institution.

(c) The Issuer shall loan the proceeds of the Obligations to the Institution pursuant to a loan agreement by and between the Issuer and the Institution (the “Loan Agreement”), whereby the Institution will be obligated under such Loan Agreement, 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 Obligations.

(d) [Reserved].

(e) The Issuer shall take or cause to be taken such other acts and adopt such further proceedings as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

2. Representations of the Institution. The Institution hereby represents to the Issuer that:

(a) The Project is located in the Dutchess County, New York and the acquisition, construction and installation of the Prior Project is complete;

(b) The financing and refinancing of the Project through the issuance of the Obligations will provide savings to the Institution which will allow it to redirect financial resources to provide its programs with a greater measure of financial security and therefore the Issuer's assistance is necessary to assist the Institution in proceeding with the Project;

(c) The proposed financing will contribute to preserving existing employment opportunities in the Dutchess County, New York; and

(d) The Institution intends that the Project will comply with all applicable federal, state, and local laws, ordinance, rules, and regulations and the Institution shall have obtained all necessary approvals and permits required thereunder.

3. Undertakings of the Institution. Based upon the statements, representations, and undertakings of the Issuer and subject to the conditions set forth herein and in the Preliminary Resolution, the Institution agrees as follows:

(a) The Institution shall use all reasonable efforts to find, or cause to be found, one or more purchasers for the Obligations.

(b) The Institution shall use all reasonable efforts necessary or desirable to enter into a contract or contracts to borrow the proceeds of the Obligations from the Issuer and execute the Loan Agreement.

(c) The Institution shall contemporaneously with the delivery of the Obligations, enter into the Loan Agreement with the Issuer containing the terms and conditions described in Paragraph 1(c) hereof.

(d) (i) The Institution shall defend and indemnify the Issuer and hold the Issuer harmless from all losses, expenses, claims, damages and liabilities arising out of or based on labor, services, materials and supplies, including equipment, ordered or used in connection with the financing and refinancing (including any expense incurred by the Issuer in defending any claims, suits or actions which may arise as a result of any of the foregoing), whether such claims or liabilities arise as a result of the Institution acting as agent for the Issuer pursuant to this Preliminary Agreement or otherwise.

(ii) The Institution shall not permit to stand, and shall at its own expense take all steps reasonably necessary to remove, any mechanic's or other liens against the Project for labor or constructing, furnishing, equipping, improving and renovating of the Project.

(iii) The Institution shall indemnify and hold the Issuer harmless from all claims and liabilities for loss or damage to property or any injury to or death of any person that may be occasioned subsequent to the date hereof by any cause whatsoever in relation to the Project, including any expenses incurred by the Issuer in defending any claims, suits or actions which may arise as a result of the foregoing, except that the Institution shall not be required to indemnify the Issuer for the willful misconduct or grossly negligent conduct of the Issuer.

(e) The Institution shall take such further action and adopt such further proceedings as may be required to implement its aforesaid undertakings or as it may deem appropriate in pursuance thereof.

4. General Provisions.

(a) This Preliminary Agreement shall take effect on the date of execution hereof until the Loan Agreement becomes effective. It is the intent of the Issuer and the Institution that this Preliminary Agreement be superseded in its entirety by the Loan Agreement.

(b) It is understood and agreed by the Issuer and the Institution that the issuance of the Obligations and the execution of the Loan Agreement and related documents are subject to: (i) obtaining all necessary governmental approvals, (ii) approval of the members of the Issuer; and (iii) agreement by the Issuer, the Institution and the purchasers of the Obligations upon mutually acceptable terms for the Obligations and for the Loan Agreement.

(c) The Institution agrees that it will reimburse the Issuer for all reasonable and necessary direct out-of-pocket expenses which the Issuer may incur as a consequence of executing this Preliminary Agreement or performing its obligations hereunder, including but not limited to, the cost of causing a notice of any public hearing held with respect to the Project to be published, the cost of making and transcribing records of said hearings and the reasonable fees and expenses charged and incurred by Bond Counsel and Issuer's Counsel in connection with their representation of Issuer in this matter and their preparation of any documents pertaining to the issuance of the Obligations.

(d) All commitments of the Issuer under Paragraph 1 hereof and of the Institution under Paragraphs 2 and 3 hereof (excepting the obligations of the Institution set forth in subparagraphs 3(d) and 4(c) hereof, which shall survive the termination of this Preliminary Agreement) are subject to the condition that the Obligations have been issued no later than fifteen (15) months from the date hereof (or such other date as shall be mutually satisfactory to the Issuer and the Institution).

(Remainder of Page Left Blank – Signature Page Follows)

IN WITNESS WHEREOF, the parties hereto have entered into this Preliminary Agreement as of the 12th day of May, 2021.

DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION

By: _____
Sarah Lee, Chief Executive Officer

ANDERSON CENTER SERVICES, INC.

By: _____
Patrick Paul, Executive Director/CEO