

**BOND RESOLUTION
MILLBROOK SCHOOL PROJECT SERIES 2021**

A special 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 August 11, 2021 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: Timothy Dean, Chairman
Mark Doyle, Vice Chairman
Alfred D. Torreggiani
Donald R. Sagliano
Ronald J. Piccone, II

ABSENT: Kathleen M. Bauer, Secretary/ Treasurer
Amy L. Bombardieri

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

The following resolution was offered by Mark Doyle, seconded by Ronald J. Piccone, II, to wit:

RESOLUTION AUTHORIZING THE ISSUANCE, EXECUTION, SALE AND DELIVERY BY DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION OF ITS TAX-EXEMPT BONDS (MILLBROOK SCHOOL PROJECT), SERIES 2021 IN THE AGGREGATE PRINCIPAL AMOUNT PRESENTLY ESTIMATED TO BE \$25,000,000 BUT NOT TO EXCEED \$30,000,000 AND THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS AND INSTRUMENTS IN CONNECTION THEREWITH.

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 (the “**Sponsor Resolution**”) (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;

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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, Millbrook School, a New York not-for-profit corporation (the "**School**") and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "**Code**"), 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 provide financing for the School in the form of tax-exempt Revenue Bonds in an aggregate principal amount presently estimated to be Twenty-Five Million Dollars (\$25,000,000) but not to exceed an aggregate principal amount of Thirty Million Dollars (\$30,000,000) (the "**Bonds**"), the proceeds of which are to be used for the purposes of financing a project (the "**Project**"), consisting of:

- (1) Paying the costs of: (A) acquisition of real property located on Millbrook School Road between Leavitt Road and US Route 44 and (B) construction, installation, renovation, improvement, furnishing and equipping of certain educational and other facilities located at the School's campus located at 131 Millbrook School Road, Millbrook, New York 12545 (the "**Campus**") (up to \$16,000,000 principal amount of Bonds to be used for such purposes);
- (2) Refunding the Issuer's Revenue Bonds (Millbrook School Project), Series 2013A and Series 2013B (collectively, the "**2013 Bonds**"), the proceeds of which financed and/or refinanced (i) the construction, installation, renovation, improvement, furnishing and equipping of certain educational and other facilities located on the Campus; and
- (3) Funding necessary reserves and paying capitalized interest and certain costs incidental to the issuance of the Bonds;
- (4) The granting of certain other financial assistance with respect to the foregoing, including potential exemptions from mortgage recording taxes (collectively with the Bonds, the "**Financial Assistance**"); and

WHEREAS, in response to the receipt by the Issuer of the Application, the Chairman of the Issuer, pursuant to Section 147(f) of the Code, (A) caused to be published on July

20, 2021, in the *Poughkeepsie Journal*, a newspaper of general circulation available to the residents of the Towns of Stanford and Washington, New York and of Dutchess County, New York, notice of a public hearing of the Issuer to hear all persons interested in the Project and the financial assistance being contemplated by the Issuer with respect to the Project (the “**Public Hearing**”), (B) caused notice of the Public Hearing to be mailed on July 19, 2021 to the chief executive officers of the county and of each city, town, village and school district in which the Project is located, (C) conducted the Public Hearing on August 6, 2021 at 9:30, a.m., local time, at the Town of Stanford Town Hall, 26 Town Hall Road, Stanfordville, New York, and (D) caused a transcript report of the Public Hearing to be made (the “**Public Hearing Report**”), which fairly reported the views presented at such Public Hearing, and caused copies of said Public Hearing Report to be made available to the members of the board of directors of the Issuer and to the County Executive of Dutchess County, New York (the “**County Executive**”); 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 must determine now 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 of the Project may have a significant impact on the environment, the School has provided the Issuer with a copy of the Full Environmental Assessment Form for the Millbrook School Amended Master Plan dated February 12, 2020 and revised April 17, 2020 (the “**EAF**”) submitted to the Town of Stanford Planning Board (the “**Planning Board**”) to aid in their determination of the impact on the environment; and

WHEREAS, by resolution dated June 24, 2020 (the “**SEQRA Resolution**”), the Planning Board adopted a SEQRA Findings Statement (the “**Findings Statement**”), certified that the requirements of the SEQRA regulations had been met and made a Negative Declaration and Determination of Non-Significance (the “**Negative Declaration**”) with the reasons for its determination stated therein; and

WHEREAS, by resolution adopted by the members of the Board of Directors of the Issuer dated July 14, 2020 (the “**Inducement Resolution**”), the Board of Directors of the Issuer determined to proceed with the Project and to enter into a Preliminary Agreement with the School (the “**Preliminary Agreement**”) relating to the Project; and

WHEREAS, the Issuer will issue its tax-exempt Revenue Bonds (Millbrook School Project), Series 2021 in the aggregate principal amount presently estimated to be \$25,000,000 but not to exceed \$30,000,000 under this resolution (the “**Bond Resolution**” or the “**Resolution**”) and a Trust Indenture, dated as of August 1, 2021 (the “**Indenture**”), by and between the Issuer and U.S. Bank National Association, as trustee (the “**Trustee**”) for the holders of the Bonds and any additional bonds issued by the Issuer under the Indenture; and

WHEREAS, also simultaneously with the issuance of the Bonds, the Issuer and the School will execute and deliver a Loan Agreement dated as of August 1, 2021 (the “**Loan Agreement**”) by and between the Issuer and the School, pursuant to the terms of which Loan Agreement (A) the Issuer will lend the proceeds of the sale of the Bonds to the School (the “**Loan**”) and (B) the School will make certain payments to or upon the order of the Issuer, which payments shall be payable at the times and in the amounts equal to the debt service payments payable on the Bonds when due; and

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

WHEREAS, the Bonds will be initially purchased by Stifel, Nicolaus & Company, Incorporated, acting as underwriter for the Bonds (the “**Underwriter**”) pursuant to a Bond Purchase Agreement dated a date to be determined among the Underwriter, the Issuer and the School (the “**Bond Purchase Agreement**”); and the Underwriter 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 Bonds; and the Underwriter also intends to obtain a rating of the Bonds from one or more securities rating agencies; and

WHEREAS, to demonstrate compliance with the provisions of the Code relating to the issuance of the Bonds, (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 School will execute a tax certificate dated the date of delivery of the Bonds (the “**Tax Certificate**”) containing certain representations and covenants relating to the requirements in Sections 103 and 145 through 150 of the Code relating to the 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 Bonds, (B) authorize the circulation of the Official Statement in connection with the marketing of the Bonds, and (C) authorize the issuance of the Bonds for the purpose of paying a portion of the Costs of the Project, delegating to the Chairman, the Vice Chairman and/or the Chief Executive Officer of the Issuer authority to determine the final details of the Bonds (the “**Bond Details**”) once the marketing of the Bonds is completed and the School has agreed to the Bond Details including, if applicable, the securing of bond insurance or other credit enhancement for the Bonds on such terms as the School 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 financing and/or refinancing of the Project through the issuance of the Bonds will further the Issuer's purposes in relieving and reducing unemployment, promoting and providing for additional and maximum employment and the betterment and maintenance of job opportunities, and thereby lessening the burdens of government; and

(C) The Project is a Type I Action under SEQRA and the Planning Board's Findings Statement and the reasoning set forth in the Planning Board's SEQRA Resoluition and Negative Declaration are hereby adopted in their entirety; and

(D) The Project will not have a "significant adverse impact" or "significant adverse effect" on the environment as defined under SEQRA; and

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

Section 2. In consequence of the foregoing, the Issuer hereby determines to: (A) issue the Bonds on the terms and conditions set forth in the Indenture and the Bond Purchase Agreement; (B) execute the Tax Certificate, pursuant to which the Issuer and the School will make certain covenants to ensure the continued tax-exempt status of the Bonds; (C) execute the Information Return in connection with the issuance of the Bonds; (D) sell the Bonds to the initial purchaser thereof pursuant to the terms set forth in the Indenture and the Bond Purchase Agreement; (E) use the proceeds of the Bonds to make the Loan to the School for the purpose of paying a portion of the Costs of the Project; (F) file the Information Return with the IRS; and (G) execute any and all related documents, instruments, and certificates.

Section 3. The form and substance of the Loan Agreement, the Indenture, the Bonds, the Bond Purchase Agreement, the Tax Certificate, the Information Return, and any documents necessary and incidental thereto and the purposes thereof including, but not limited to, any documents approved by counsel to the Issuer (collectively, the "**Issuer Documents**") are hereby approved.

Section 4. Subject to receipt by the Issuer of the executed certificate from the County Executive indicating that the County Executive has approved the issuance of the Bonds pursuant to, and solely for the purposes of, Section 147(f) of the Code, the Issuer is hereby authorized to issue, execute, sell and deliver to the Trustee for authentication its Bonds in the

aggregate principal amount presently estimated to be \$25,000,000 but not to exceed \$30,000,000 or so much thereof as may, in the Certificate of Determination, be determined to be necessary to finance the Costs of the Project, in the form and in the amount and containing the other provisions determined by the Chairman, the Vice Chairman and/or the Chief Executive Officer of the Issuer is hereby authorized to deliver said 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, this Bond Resolution, and the Bond Purchase Agreement, provided that:

(A) The 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, the Vice 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 and the Bond Purchase Agreement, or as are hereinafter approved by the Chairman, the Vice 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 Bonds shall be issued solely for the purpose of providing funds to finance (1) the costs of making the Loan for the purpose of paying a portion of the Costs of the Project, and (2) a portion of the administrative, legal, financial and other expenses of the Issuer in connection with the Loan and the Project and incidental to the issuance of the Bonds.

(C) None of the members, directors and officers of the Issuer, nor any person executing the 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 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 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.

(E) Notwithstanding any other provision of this Bond Resolution, the Issuer covenants that it will make no use of the proceeds of the Bonds or of any other funds of the Issuer (other than the Issuer's administrative fees) which, if said use had been reasonably expected on the date of issuance of the Bonds, would have

caused any of the Bonds to be an “arbitrage bond” within the meaning of Section 148 of the Code.

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, the Vice Chairman and/or the Chief Executive Officer of the Issuer the authority to (or, as applicable, ratifies and confirms the actions of the Chairman, the Vice 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 Underwriter to circulate the Preliminary Official Statement and (3) execute and deliver any other documents or agreements requested by the Underwriter in connection with the circulation of the Preliminary Official Statement by the Underwriter.

(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 Bonds and has received from the School evidence that the School has accepted the results of the marketing of the Bonds, the Issuer hereby delegates to the Chairman, the Vice 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, the Vice 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 (or Vice Chairman) and/or the Chief Executive Officer shall approve, the execution thereof by the Chairman (or Vice 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 (or Vice Chairman) and/or the Chief Executive Officer of the Issuer to provide for bond insurance provided by a bond insurer selected by the School.

(D) The Chairman, the Vice 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.

(E) Each of the Chairman, the Vice Chairman and 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

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

Section 8. This Bond Resolution shall take effect immediately and the 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:

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

The foregoing Bond Resolution was thereupon declared duly adopted.

Adopted: August 11, 2021

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

I, the undersigned Assistant Secretary of Dutchess County Local Development Corporation (the "Issuer"), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Board of Directors of the Issuer, including the Resolution contained therein, held on August 11, 2021 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Board of Directors of the Issuer had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Board of Directors 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 rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Issuer this 11th day of August, 2021.



Alfred D. Torreggiani, Assistant Secretary

(SEAL)

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