

RESOLUTION OF THE ONTARIO COUNTY LOCAL DEVELOPMENT CORPORATION TAKING OFFICIAL ACTION TOWARD THE ISSUANCE OF ITS REVENUE REFUNDING BONDS IN AN AMOUNT SUFFICIENT TO FINANCE OR REFINANCE CERTAIN COSTS OF THE FREDERICK FERRIS THOMPSON HOSPITAL FACILITY, MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE FACILITY AND REQUESTING ONTARIO COUNTY TO APPROVE THE ISSUANCE OF THE SERIES 2017 BONDS.

WHEREAS, The Frederick Ferris Thompson Hospital (the "**Hospital**"), a duly organized and validly existing New York not-for-profit corporation, and an organization described in Section 501(c)(3) of the Internal Revenue Service Code of 1986, as amended (the "**Code**"), which is exempt from federal income taxation pursuant to Section 501(a) of the Code, has requested that the Ontario County Local Development Corporation (the "**Issuer**") issue its Revenue Refunding Bonds, Series 2017 (The Frederick Ferris Thompson Hospital Project) (the "**Series 2017 Bonds**"), under Section 145 of the Code, in an aggregate principal amount presently estimated to be approximately \$37,215,000 but not to exceed \$40,000,000, in order to finance the following project (collectively, the "**Project**"):

(A) refunding of the outstanding Variable Rate Civic Facility Revenue Bonds, Series 2003B (The Frederick Ferris Thompson Hospital Civic Facility) issued by the Ontario County Industrial Development Agency currently outstanding in the aggregate principal amount of \$9,000,000 (the "**Series 2003B Bonds**"), the proceeds of which Series 2003B Bonds were used to provide a portion of the funds required (i) to construct an approximately 42,800 square foot addition to the existing hospital building located at 350 Parrish Street, in the City of Canandaigua, Ontario County, New York (the "**Hospital Campus**"), necessary to house the emergency department, to expand the diagnostic imaging area and to create new lobby space; (ii) to renovate approximately 25,000 square feet of the existing hospital building, housing the diagnostic imaging, patient access, lobby and same-day surgery areas; and (iii) to pay certain related costs with respect to the issuance of the Series 2003B Bonds (collectively, the "**Series 2003B Facility**"); and

(B) refunding of the outstanding Revenue Bonds, Series 2010 (The Frederick Ferris Thompson Hospital Project) issued by the Issuer, currently outstanding in the aggregate principal amount of \$25,809,733 (the "**Series 2010 Bonds**"), the proceeds of which Series 2010 Bonds were used to provide a portion of the funds required to (i) construct and equip an approximately 64,074 square foot two-story addition to the existing building located at the Hospital Campus, in order to combine outpatient and inpatient surgeries with expanded room sizes to accommodate growth in outpatient procedures and to support new technology including, but not limited to, the replacement of six out dated operating suites and two endoscopy suites presently located separately into a single centralized surgical care unit comprised of six state-of-the-art operating suites, four endoscopy suites and an expanded recovery area (collectively, the "**Surgical Center**"); (ii) relocate Central Sterile Processing Services to be located adjacent to the Surgical Center to provide direct access to the suites in order to maximize efficient and safe stocking of the Surgical Center; (iii) the expansion and reconfiguration of the Hospital's laboratory in order to support new technologies; (iv) the relocation and expansion of the Rehab Services Department (which includes Physical

Therapy, Occupational Therapy and Speech Therapy) to the ground level near the new entrance to facilitate the ambulatory needs of patients; (v) the relocation, expansion and equipping of the Dietary Facilities to the space previously occupied by the Rehab Services Department, which will allow for improved utilization of the services by staff, inpatients, outpatients, family and visitors; and (vi) the relocation and renovation of Associate Services (Human Resources) to the space previously occupied by Dietary Services (collectively, the “**Improvements**”), all to be located on the Hospital Campus (the Improvements, together with all related fixtures and personal property, the “**Series 2010 Facility**”; and, together with the Series 2003B Facility, the “**Facility**”), (vii) to pay certain related costs with respect to the issuance of the Series 2010 Bonds; and

(C) funding a debt service reserve, if required for the Series 2017 Bonds; and

(D) paying certain costs of issuance of the Series 2017 Bonds; and

WHEREAS, the proceeds of the Series 2017 Bonds will be loaned by the Issuer to the Hospital for the financing of the Project, pursuant to Section 1411 of the New York Not-For-Profit Corporation Law (the “**Act**”); and

WHEREAS, the Act authorizes and empowers the Issuer to issue its revenue bonds to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, pursuant to Section 147(f) of the Code, interest on the Series 2017 Bonds will not be excluded from gross income for federal income tax purposes unless the issuance of the Series 2017 Bonds is approved by the “applicable elected representative” of Ontario County, New York (the “**County**”) after a public hearing (the “**Public Hearing**”), has been held on the Project and the issuance of the Series 2017 Bonds; and

WHEREAS, prior to the issuance of the Series 2017 Bonds, public notice of the Public Hearing has been given as required by Section 147(f) of the Code, the notice of which (together with proof of publication) is in the form annexed hereto as Exhibit A and such notice complies with all requirements of the Code; and

WHEREAS, the Public Hearing will be held to hear all persons with views in favor of or opposed to the issuance of the Series 2017 Bonds, the Project, and the other financial assistance contemplated by the Issuer, the minutes of which will be substantially in the form annexed hereto as Exhibit B; and

WHEREAS, the Issuer has given due consideration to the Application and to representations by the Hospital that issuance of the Series 2017 Bonds is either an inducement to the Hospital to maintain and expand the Facility in the County or is necessary to maintain the competitive position of the Hospital in its industry; and

WHEREAS, the Hospital reasonably expects that it will pay or incur certain capital expenditures in connection with the Project prior to the issuance of the Series 2017 Bonds; and

WHEREAS, the Hospital will use funds from sources other than the proceeds of the Series 2017 Bonds which are or will be available on a short-term basis to pay for preliminary expenditures of the Project; and

WHEREAS, the Hospital reasonably expects that it will reimburse itself for the use of such funds with proceeds of indebtedness to be issued by the Issuer to finance or refinance the costs of the Project; and

WHEREAS, the Series 2017 Bonds are expected to be issued in an aggregate principal amount presently estimated to be approximately \$37,215,000 but not to exceed \$40,000,000; and

WHEREAS, pursuant to Article Eight of the Environmental Conservation Law and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively, the “SEQR Act” or “SEQR”), the Issuer constitutes a “State Agency”; and

WHEREAS, to aid the Issuer in determining whether the Project and the issuance of the Series 2017 Bonds may have a significant effect upon the environment, the Hospital prepared and submitted to the Issuer an Application for Financial Assistance, a Short Environmental Assessment Form (the “EAF”) dated November 16, 2017, and related documents (collectively, the “Application”), with respect to the Project, a copy of which is on file at the office of the Issuer; and

WHEREAS, the Application has been reviewed by the Issuer; and

WHEREAS, the Hospital has agreed to indemnify the Issuer against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the issuance of the Series 2017 Bonds and the financing and refinancing of the Project.

NOW, THEREFORE, BE IT RESOLVED by the Ontario County Local Development Corporation (a majority of the members thereof affirmatively concurring) that:

Section 1. Based upon the information furnished by the Hospital regarding the Project, the Issuer determines that the action relating to the financing and refinancing of the Project is a Type II action under SEQR and therefore, does not require further environmental review.

Section 2. (a) The financing and refinancing of the Project by the Issuer, through the issuance of the Series 2017 Bonds pursuant to the Act, and the provision of other financial assistance in connection therewith pursuant to the Act, will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of Ontario County and the people of the State of New York and improve their standard of living, and thereby serve the public purposes of the Act and the same is, therefore, approved; and

- (b) It is desirable and in the public interest for the Issuer to issue the Series 2017 Bonds for the purposes of financing and refinancing the costs of the Project, together with necessary incidental expenses in connection therewith as reflected in the Hospital's application to the Issuer, as amended from time to time prior to the issuance of the Series 2017 Bonds. The currently estimated aggregate principal amount of the Series 2017 Bonds to be issued is approximately \$37,215,000, but not to exceed \$40,000,000.

Section 3. Subject to the approval of the issuance of the Series 2017 Bonds by the Board of Supervisors of Ontario County, and the compliance with any other applicable provisions of the Code, the Issuer shall (i) issue the Series 2017 Bonds in an amount and with maturities, an interest rate, redemption terms and other terms and provisions to be determined by a further resolution of the Issuer, (ii) loan the proceeds of the Series 2017 Bonds to the Hospital pursuant to the terms of a loan agreement whereby the Hospital will be obligated, among other things, to make loan payments to or for the account of the Issuer in amounts and at times so that such loan payments will be adequate to pay the principal of, premium, if any, and interest on the Series 2017 Bonds, and (iii) secure the Series 2017 Bonds in such manner as the Issuer, the Hospital and the Purchaser(s) of the Series 2017 Bonds mutually deem appropriate.

Section 4. The Hospital is hereby authorized to undertake the financing or refinancing of the Project with the proceeds of the Series 2017 Bonds.

Section 5. To the extent the Hospital has paid or incurred or will pay or incur preliminary expenditures or hard costs in connection with the Project with current funds, it reasonably expects to reimburse itself with proceeds from the Series 2017 Bonds. This Resolution is intended to be a declaration of official intent pursuant to Section 1.150-2 of the Treasury Regulations to reimburse prior expenditures made by the Hospital for the Project with proceeds of the Series 2017 Bonds.

Section 6. The law firm of Nixon Peabody LLP, Rochester, New York, is hereby appointed Bond Counsel to the Issuer in connection with the issuance of the Series 2017 Bonds.

Section 7. Counsel to the Issuer and Bond Counsel are hereby authorized to work with counsel to the Hospital and others to prepare, for submission to the Issuer, all documents necessary to effect the authorization, issuance and sale of the Series 2017 Bonds.

Section 8. The Chairman, the Executive Director, the Deputy Executive Director, or any other duly authorized official of the Issuer, are each hereby authorized and directed (i) to distribute copies of this resolution to the Hospital, (ii) to request the Board of Supervisors of Ontario County to approve the issuance of the

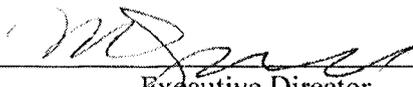
Series 2017 Bonds, (iii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution, and (iv) any such actions that the Chairman, Executive Director, Deputy Executive Director or any other duly authorized official of the Issuer have previously taken in furtherance of this Project and the issuance of the Series 2017 Bonds are hereby ratified and approved.

Section 9. This resolution shall take effect immediately and shall be continuously available for inspection by the general public during normal business hours at the Issuer's office.

The Application is in substantially the form presented to and approved at such meeting.

I FURTHER CERTIFY that (i) all members of the Issuer had due notice of said meeting, (ii) pursuant to Sections 103a and 104 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public and public notice of the time and place of said meeting was duly given in accordance with such Sections 103a and 104, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand as of November 28, 2017.



Executive Director

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the “**Code**”), will be held by the Ontario County Local Development Corporation (the “**Issuer**”) on the 1st day of December, 2017, at 9:00 a.m., local time, at the offices of the Issuer at 20 Ontario Street, Economic Development Conference Room, Canandaigua, New York 14424, in connection with the following matters:

The Frederick Ferris Thompson Hospital (the “**Hospital**”), a duly organized and validly existing New York not-for-profit corporation, and an organization described in Section 501(c)(3) of the Code, which is exempt from federal income taxation pursuant to Section 501(a) of the Code, has requested that the Issuer issue its Revenue Refunding Bonds, Series 2017 (The Frederick Ferris Thompson Hospital Project) (the “**Series 2017 Bonds**”), under Section 145 of the Code, in an aggregate principal amount presently estimated to be approximately \$37,215,000 but not to exceed \$40,000,000, in order to finance the following project (collectively, the “**Project**”):

(A) refunding of the outstanding Variable Rate Civic Facility Revenue Bonds, Series 2003B (The Frederick Ferris Thompson Hospital Civic Facility) issued by the Ontario County Industrial Development Agency currently outstanding in the aggregate principal amount of \$9,000,000 (the “**Series 2003B Bonds**”), the proceeds of which Series 2003B Bonds were used to provide a portion of the funds required (i) to construct an approximately 42,800 square foot addition to the existing hospital building located at 350 Parrish Street, in the City of Canandaigua, Ontario County, New York (the “**Hospital Campus**”), necessary to house the emergency department, to expand the diagnostic imaging area and to create new lobby space; (ii) to renovate approximately 25,000 square feet of the existing hospital building, housing the diagnostic imaging, patient access, lobby and same-day surgery areas; and (iii) to pay certain related costs with respect to the issuance of the Series 2003B Bonds (collectively, the “**Series 2003B Facility**”); and

(B) refunding of the outstanding Revenue Bonds, Series 2010 (The Frederick Ferris Thompson Hospital Project) issued by the Issuer, currently outstanding in the aggregate principal amount of \$25,809,733 (the “**Series 2010 Bonds**”), the proceeds of which Series 2010 Bonds were used to provide a portion of the funds required to (i) construct and equip an approximately 64,074 square foot two-story addition to the existing building located at the Hospital Campus, in order to combine outpatient and inpatient surgeries with expanded room sizes to accommodate growth in outpatient procedures and to support new technology including, but not limited to, the replacement of six out dated operating suites and two endoscopy suites presently located separately into a single centralized surgical care unit comprised of six state-of-the-art operating suites, four endoscopy suites and an expanded recovery area (collectively, the “**Surgical Center**”); (ii) relocate Central Sterile Processing Services to be located adjacent to the Surgical Center to provide direct access to the suites in

order to maximize efficient and safe stocking of the Surgical Center; (iii) the expansion and reconfiguration of the Hospital's laboratory in order to support new technologies; (iv) the relocation and expansion of the Rehab Services Department (which includes Physical Therapy, Occupational Therapy and Speech Therapy) to the ground level near the new entrance to facilitate the ambulatory needs of patients; (v) the relocation, expansion and equipping of the Dietary Facilities to the space previously occupied by the Rehab Services Department, which will allow for improved utilization of the services by staff, inpatients, outpatients, family and visitors; and (vi) the relocation and renovation of Associate Services (Human Resources) to the space previously occupied by Dietary Services (collectively, the "**Improvements**"), all to be located on the Hospital Campus (the Improvements, together with all related fixtures and personal property, the "**Series 2010 Facility**"; and, together with the Series 2003B Facility, the "**Facility**"), (vii) to pay certain related costs with respect to the issuance of the Series 2010 Bonds; and

(C) funding a debt service reserve, if required for the Series 2017 Bonds; and

(D) paying certain costs of issuance of the Series 2017 Bonds.

The Facility will be initially owned, operated and/or managed by the Hospital.

The Series 2017 Bonds will be a special obligation of the Issuer payable solely out of the revenues from the loan of the proceeds of the Series 2017 Bonds to the Hospital, and from other amounts payable to the Issuer and certain other assets of the Hospital pledged to the repayment of the Series 2017 Bonds. The Series 2017 Bonds shall not be a debt of the State of New York or any political subdivision thereof, including Ontario County, New York, and neither the State of New York nor any political subdivision thereof, including Ontario County, New York, shall be liable thereon.

A representative of the Issuer will, at the above-stated time and place, hear and accept written comments from all persons with views in favor of or opposed to either the issuance of the Series 2017 Bonds, the granting of other financial assistance contemplated by the Issuer or the location or nature of the Facility. At the hearing, all persons will have the opportunity to review the application for financial assistance filed by the Hospital with the Issuer, and an analysis of the costs and benefits of the proposed Facility.

Minutes of the hearing will be made available to the Ontario County Board of Supervisors. Approval of the issuance of the Series 2017 Bonds by Ontario County, through the Ontario County Board of Supervisors, is necessary in order for the interest on the Series 2017 Bonds to be excluded from gross income for federal income tax purposes.

Dated: November 17, 2017

ONTARIO COUNTY LOCAL
DEVELOPMENT CORPORATION

By: Michael J. Manikowski
Title: Executive Director

EXHIBIT B

MINUTES OF PUBLIC HEARING
ON DECEMBER 1, 2017

ONTARIO COUNTY LOCAL DEVELOPMENT CORPORATION
REVENUE REFUNDING BONDS, SERIES 2017
(THE FREDERICK FERRIS THOMPSON HOSPITAL PROJECT)

1. _____, _____ of the Ontario County Local Development Corporation (the “**Issuer**”) called the hearing to order.
2. The Hearing Officer then appointed _____, himself/herself the hearing officer (“**Hearing Officer**”) to record the minutes of the hearing.
3. The Hearing Officer then described the proposed issuance of the Series 2017 Bonds and the location and nature of the hereinafter defined Facility to be financed as follows:

The Frederick Ferris Thompson Hospital (the “**Hospital**”), a duly organized and validly existing New York not-for-profit corporation, and an organization described in Section 501(c)(3) of the Internal Revenue Service Code of 1986, as amended (the “**Code**”), which is exempt from federal income taxation pursuant to Section 501(a) of the Code, has requested that the Issuer issue its Revenue Refunding Bonds, Series 2017 (The Frederick Ferris Thompson Hospital Project) (the “**Series 2017 Bonds**”), under Section 145 of the Code, in an aggregate principal amount presently estimated to be approximately \$37,215,000 but not to exceed \$40,000,000, in order to finance the following project (collectively, the “**Project**”):

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(B) refunding of the outstanding Revenue Bonds, Series 2010 (The Frederick Ferris Thompson Hospital Project) issued by the Issuer, currently outstanding in the aggregate principal amount of \$25,809,733 (the “**Series 2010 Bonds**”), the proceeds of which Series 2010 Bonds were used to provide a portion of the funds required to (i) construct and equip an approximately 64,074 square foot two-story addition to the

existing building located at the Hospital Campus, in order to combine outpatient and inpatient surgeries with expanded room sizes to accommodate growth in outpatient procedures and to support new technology including, but not limited to, the replacement of six out dated operating suites and two endoscopy suites presently located separately into a single centralized surgical care unit comprised of six state-of-the-art operating suites, four endoscopy suites and an expanded recovery area (collectively, the “**Surgical Center**”); (ii) relocate Central Sterile Processing Services to be located adjacent to the Surgical Center to provide direct access to the suites in order to maximize efficient and safe stocking of the Surgical Center; (iii) the expansion and reconfiguration of the Hospital’s laboratory in order to support new technologies; (iv) the relocation and expansion of the Rehab Services Department (which includes Physical Therapy, Occupational Therapy and Speech Therapy) to the ground level near the new entrance to facilitate the ambulatory needs of patients; (v) the relocation, expansion and equipping of the Dietary Facilities to the space previously occupied by the Rehab Services Department, which will allow for improved utilization of the services by staff, inpatients, outpatients, family and visitors; and (vi) the relocation and renovation of Associate Services (Human Resources) to the space previously occupied by Dietary Services (collectively, the “**Improvements**”), all to be located on the Hospital Campus (the Improvements, together with all related fixtures and personal property, the “**Series 2010 Facility**”; and, together with the Series 2003B Facility, the “**Facility**”), (vii) to pay certain related costs with respect to the issuance of the Series 2010 Bonds; and

(C) funding a debt service reserve, if required for the Series 2017 Bonds; and

(D) paying certain costs of issuance of the Series 2017 Bonds.

The Facility will be initially owned, operated and/or managed by the Hospital.

The Series 2017 Bonds will be a special obligation of the Issuer payable solely out of the revenues from the loan of the proceeds of the Series 2017 Bonds to the Hospital, and from other amounts payable to the Issuer and certain other assets of the Hospital pledged to the repayment of the Series 2017 Bonds. The Series 2017 Bonds shall not be a debt of the State of New York or any political subdivision thereof, including Ontario County, New York, and neither the State of New York nor any political subdivision thereof, including Ontario County, New York, shall be liable thereon.

4. The Hearing Officer then opened up the hearing for comments from the floor for or against the proposed issuance of the Series 2017 Bonds and the location and nature of the Project. The following is a listing of the persons heard and a summary of their views:

5. The Hearing Officer then asked if there were any further comments and, there being none, the hearing was closed at a.m.

Hearing Officer

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

I, the undersigned Executive Director of the Ontario County Local Development Corporation, DO HEREBY CERTIFY:

That I have compared the foregoing copy of the minutes of a public hearing held by the Ontario County Local Development Corporation (the “**Issuer**”) on December 1, 2017, at 9:00 a.m., local time, at the office of the Issuer at 20 Ontario Street, Canandaigua, New York with the original thereof on file in the office of the Issuer and that the same is a true and correct copy of the minutes in connection with such matter.

I FURTHER CERTIFY that (i) pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended, and Section 1411 of the New York Not-For-Profit Corporation Law (the “**Act**”), said hearing was open to the general public and public notice of the time and place of said hearing was duly given in accordance with Section 147(f) and the Act, (ii) the hearing in all respects was duly held, and (iii) members of the public had an opportunity to be heard.

IN WITNESS WHEREOF, I have hereunto set my hand as of December 1, 2017.

Executive Director