

**BOND RESOLUTION
TRINITY-PAWLING SCHOOL CORPORATION (SERIES 2013 BONDS)
PROJECT**

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 November 22, 2013 at 8:00 o'clock a.m., local time.

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

PRESENT: Charles Daniels III, Chairman
Phyllis DiStasi Keenan, Secretary/Treasurer
David R. Tetor, Vice Chairman
Henry Killian
George R. Stoffers
Angela E. Flesland
Timothy Dean

ABSENT:

ALSO PRESENT: Donald Cappillino, Counsel
Catherine A. Maloney, Chief Executive Officer
Lynn Heuermann, Chief Financial Officer

The following resolution was offered by _____, and seconded by _____, to wit:

RESOLUTION AUTHORIZING THE ISSUANCE, EXECUTION, SALE AND DELIVERY BY DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION OF ITS TAX-EXEMPT REVENUE BONDS (TRINITY-PAWLING SCHOOL CORPORATION PROJECT), SERIES 2013 IN THE AGGREGATE PRINCIPAL AMOUNT PRESENTLY ESTIMATED TO BE \$18,765,000 BUT NOT TO EXCEED \$20,000,000 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; 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, in October, 2013, Trinity-Pawling School Corporation (the "School"), a New York not-for-profit education corporation, presented an application (the "Application") to the Issuer, which Application requested that the Issuer consider undertaking a project (the "Project") for the benefit of the School, said Project to consist of the following:

(A) refunding the Dutchess County Industrial Development Agency's Civic Facility Revenue Bonds, Series 1998 (Trinity-Pawling School Corporation Civic Facility) (the "1998 Bonds"), in the original aggregate principal amount of \$5,800,000 for the purposes of refunding an existing mortgage indebtedness the proceeds of which were used for (i) the renovation of certain structures which constitute portions of the Campus, including, but not limited to, the Cluett Building and the Starr Building; and (ii) the paying of certain incidental expenses incurred in connection therewith and the issuance of the Bonds;

(B) refunding the Dutchess County Industrial Development Agency's Civic Facility Revenue Bonds, Series 2002 (Trinity-Pawling School Corporation Civic Facility) (the "2002 Bonds"), in the original aggregate principal amount of \$17,200,000 for the purposes of making certain capital improvements to the Campus, including, but not limited to: (i) the construction of an approximately 19,096 square foot addition to the Dann Science and Technology Center; (ii) the renovation of approximately 10,480 square feet of and the construction of an approximately 20,275 square foot addition to the existing Arts Center; (iii) renovation of approximately 22,389 square feet of the Dann class room building; (iv) construction of two (2) facility houses totaling approximately 4,400 square feet; (v) renovation of approximately 3,674 square feet of the Shaw Building to provide faculty housing and a conference area; (vi) upgrading and improving existing athletic and track fields on campus; and (vii) the paying of certain incidental expenses incurred in connection therewith and the issuance of the 2002 Bonds;

(C) financing the acquisition, construction, renovation, installation and equipping of (i) a new synthetic turf field to replace an existing athletic field at the Campus; (ii) relocating an existing parking lot consisting of approximately thirty-two (32) parking spaces to a location adjacent to the new synthetic turf athletic field and expanding the size of the parking lot to 81 spaces; (iii) replacing 12 existing tennis courts on the Campus with 9 new tennis courts and

building a 450 square foot building encompassing bathrooms and a storage area adjacent to the tennis courts;

(D) the repairing, renovating, or replacing of any other facilities owned by the School at the Campus;

(E) paying redemption premiums, if any, in connection with the 1998 Bonds and the 2002 Bonds;

(F) 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 paragraph (E)), all at present estimated to be approximately \$18,765,000.00 and in any event not to exceed \$20,000,000.00 (the "Bonds");

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

(H) 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: (A) caused notice of a public hearing of the Issuer (the "Public Hearing") pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") to hear all persons interested in the Project and the financial assistance being contemplated by the Issuer with respect to the Project, to be published on October 30, 2013 in the *Poughkeepsie Journal*, a newspaper of general circulation available to the residents of the Town of Poughkeepsie, New York; (B) caused notice of the Public Hearing to be mailed on October 30, 2013 to the chief executive officers of the county and of the village and school district in which the Project Facility is (or will be) located; (C) conducted the Public Hearing on November 15, 2013 at 11:30 o'clock, a.m., local time at the Village Hall, meeting room, Village of Pawling, Nine Memorial Avenue, Pawling, New York; and (E) 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, by resolution adopted by the members of the Board of Directors of the Issuer on October 28, 2013 (the "Preliminary 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, 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

determined in the Preliminary Resolution that the Project is a Type II action and will not have a significant adverse environmental impact; and

WHEREAS, the Issuer will issue its Tax-Exempt Revenue Bonds (Trinity-Pawling School Corporation Project), Series 2013 in the aggregate principal amount presently estimated to be \$18,765,000 but not to exceed \$20,000,000 (the “Bonds”) under this Bond Resolution (the “Bond Resolution”), to be placed with PNC Bank, National Association, as bank (the “Bank”) pursuant to a Direct Placement Agreement dated as of December 1, 2013 (the “Direct Placement Agreement”) by and between the School and the Bank for the holders of the Bonds and any additional bonds issued by the Issuer under the Direct Placement Agreement; 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 December 1, 2013 (the “Loan Agreement”) by and between the Issuer and the School, pursuant to the terms of which Loan Agreement the School will make certain payments to or upon the order of the Issuer, which payments shall include amounts equal to the debt service payments due on the Bonds; and

WHEREAS, pursuant to the terms of a certain Indenture of Trust between the Issuer and The Bank of New York Mellon as Trustee (the “Trustee”) dated as of December 1, 2013, the net proceeds of the sale of the Bonds (the “Bond Proceeds”) will be deposited into various custodial funds held by the Trustee under the Indenture of Trust and Loan Agreement and will be disbursed by the Trustee from time to time to pay the costs of the Project, but only upon satisfaction of the requirements for making such disbursements set forth in the Loan Agreement; and

WHEREAS, as evidence of its indebtedness under the Loan Agreement, the School will execute a Promissory Note (the “Promissory Note”) to the Issuer in the amount of the Bonds, which Promissory Note shall be assigned by the Issuer to the Trustee; and

WHEREAS, to demonstrate compliance with the provisions of the Code relating to the issuance of tax-exempt obligations, 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 School will execute a Tax Regulatory Agreement dated the date of delivery of the Bonds (the “Tax Regulatory Agreement”) relating to the requirements in Sections 145 through 150 of the Code relating to the Bonds; and

WHEREAS, the Issuer now desires to authorize the issuance of the Bonds for the purpose of financing 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 the securing of bond insurance from a bond insurer 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 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 acquisition, renovation, construction, installation, financing and refinancing of the Project and the financing thereof with the proceeds of the Loan as set forth in the Loan Agreement (the "Loan") to the School will relieve and reduce unemployment, promote and provide for additional and maximum employment and better and maintain job opportunities, and thereby lessen the burdens of government;

(C) The financing of the Project by the Issuer is a Type II action under SEQRA; and

(D) 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 Direct Placement 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 Direct Placement Agreement; (B) execute the Tax Regulatory Agreement, pursuant to which the Issuer and the School make certain covenants to ensure the continued tax-exempt status of the Bonds; (C) sell the Bonds to the Trustee thereof pursuant to the terms set forth in the Indenture of Trust; (D) use the proceeds of the Bonds to make the Loan to the School for the purpose of financing a portion of the costs of issuance of the Bonds and a portion of the costs of the Project; (E) execute the Information Return with respect to the Bonds; (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 Bonds, the Indenture of Trust, the Loan Agreement, the Information Return, the Tax Regulatory Agreement, the Promissory Note and any documents necessary and incidental thereto including, but not limited to, any documents approved by counsel to the Issuer (collectively, the "Issuer Documents") are hereby approved.

Section 4. 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 \$18,765,000 but not to exceed \$20,000,000 or so much as 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 this Bond Resolution and the Loan 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 and the Loan 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 financing a portion of the costs of the Project as described in the Issuer Documents, 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) Neither the members, directors nor 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) The Issuer hereby delegates to the Chairman (or Vice Chairman) and/or the Chief Executive Officer of the Issuer the authority to (1) execute and deliver the Indenture of Trust, the Loan Agreement, the Tax Regulatory Agreement, the Promissory Note, and the assignment of the

Promissory Note on behalf of the Issuer and (2) determine, on behalf of the Issuer, the Bond Details.

(B) 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, 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. The Issuer hereby appoints each Member of the Issuer to serve as an Assistant Secretary of the Issuer for purposes of this transaction.

(C) 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 (as defined in and pursuant to the Indenture of Trust).

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

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

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

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

Charles Daniels III, Chairman	VOTING
David R. Tetor, Vice Chairman	VOTING
Phyllis DiStasi Keenan, Secretary/Treasurer	VOTING

Henry Killian VOTING

George R. Stoffers VOTING

Angela E. Flesland VOTING

Timothy Dean VOTING

The foregoing Bond Resolution was thereupon declared duly adopted.

Adopted: November 22, 2013

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 November 22, 2013 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 22nd day of November, 2013.

Henry Killian, Assistant Secretary

(SEAL)