

**PRELIMINARY RESOLUTION
HUDSON VALLEY PROPERTY HOLDINGS, LLC SERIES 2015 BONDS**

A Regular meeting of the Dutchess County Local Development Corporation was convened in public session on June 16, 2015 at 8:00 a.m., local time, at the Dutchess County Local Development Corporation's Offices, Three Neptune Road, Poughkeepsie, New York.

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

PRESENT: Charles Daniels, Chairman
Timothy Dean, Vice Chairman
Phyllis DiStasi Keenan, Secretary/Treasurer
Angela E. Flesland
Edward Summers
Mark Doyle
Alfred D. Torreggiani

ABSENT:

ALSO PRESENT: Donald Cappillino, Counsel
Sarah Lee, Chief Executive Officer

On motion duly made by _____ and seconded by _____, the following resolution (the "Resolution") was placed before the members of the Dutchess County Local Development Corporation:

Resolution (i) Taking official action toward the issuance of an amount presently estimated to be approximately Twenty-five Million Five Hundred Thousand and 00/100 Dollars (\$25,500,000.00) but not to exceed Twenty-Seven Million and 00/100 Dollars (\$27,000,000.00) principal amount of Tax-Exempt Revenue and/or Taxable Bonds (Hudson Valley Property Holdings, LLC Project), Series 2015A Bonds; and (ii) Authorizing the execution and delivery of an agreement by and between the Issuer and Hudson Valley Property Holdings, LLC with respect to the financing of the Project.

WHEREAS, the Dutchess County Local Development Corporation (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 corporations, acquire, improve, maintain, equip and furnish projects, to lease such projects and collect rent; to sell and convey any and all of its property, to loan the proceeds of its bonds to not-for-profit corporations and other entities whenever the Board of Directors of the Issuer shall find such action to be in furtherance of the purposes for which it was organized; and to issue bonds for the purpose of carrying out any of its powers; all bonds to be payable solely out of revenues and receipts derived from the leasing or sale by the Issuer of its projects; and

WHEREAS, Hudson Valley Property Holdings, LLC, a New York limited liability company (the "Company"), has submitted an application to the Issuer, a copy of which application is on file at the office of the Issuer, which application requested that the Issuer consider undertaking a Project (as defined below) for the benefit of the Company to be located at One Webster Avenue, Poughkeepsie, New York bearing Tax Map No. 134689-6162-09-090607-0000 (the "Property"), consisting of the following:

- (A) The acquisition of an existing four (4) story building plus basement containing approximately 148,896 square feet known as the Atrium Health Center located on the Property, to be owned by the Company, to be operated as a multi-purpose facility, portions of which are: (i) leased to and used by the Westchester County Health Care Corporation for various administrative and support functions (including, but not limited to, a laboratory, kitchen, cafeteria, storage space, gift shop, patient registration, pre-admission testing, patient accounting and employee health and wellness) and various patient care services (including, but not limited to radiology, wound care, specialty clinics, vascular surgery, and trauma department) and (ii) leased or subleased to, and used by, certain physicians, physician groups, or associations providing a variety of health care services (including, but not limited to, urology, internal medicine, pediatrics, digestive disease treatment, psychiatry, oncology and prosthetic and orthotic devices) (collectively, the "Facility");
- (B) paying of all or a portion of the costs incidental to the issuance of the Bonds (defined below), including issuance costs of the Bonds (collectively, paragraphs (A) and (B) shall be referred to herein as the "Project"); and
- (C) the financing of all or a portion of the costs of the foregoing Project by the issuance of tax-exempt revenue and/or taxable 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, all presently estimated to be approximately

Twenty-five Million Five Hundred Thousand and 00/100 Dollars (\$25,500,000.00) but not to exceed Twenty-Seven Million and 00/100 Dollars (\$27,000,000.00) (the “Bonds”); 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 acquisition and 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 and acquisition of the Facility may have a significant impact on the environment, the Company has prepared and submitted to the Issuer a short Environmental Assessment Form dated May 14, 2015; and

WHEREAS, the Issuer hereby determines this project is a Type II action under SEQRA since it involves only the acquisition and financing of an existing building in place without any change in the nature or character of the building or the activities conducted therein; and

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

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

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

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

- (a) The Project constitutes 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 Bonds will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the County, and improve their standard of living;
- (b) This Project is a Type II action under SEQRA and, therefore, will not have an adverse impact upon the environment; and
- (c) It is desirable and in the public interest to issue the Bonds in the aggregate principal amount presently estimated to be Twenty-five Million Five Hundred Thousand and 00/100 Dollars

(\$25,500,000.00) but not to exceed Twenty-Seven Million and 00/100 Dollars (\$27,000,000.00) for the purpose of financing the Project, together with the necessary expenses in connection therewith.

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

- (a) issue the Bonds in an amount presently estimated to be Twenty-five Million Five Hundred Thousand and 00/100 Dollars (\$25,500,000.00) and not to exceed Twenty-Seven Million and 00/100 Dollars (\$27,000,000.00), the particular amount, maturities, interest rate, redemption terms and other terms and provisions to be determined by a further resolution of the Issuer;
- (b) if required in connection with the undertaking of the Project, acquire title to or a leasehold interest in the Project;
- (c) if required in connection with the undertaking of the Project, lease (with option to purchase) or sell the Facility to the Company pursuant to an agreement by and between the Issuer and the Company, or, in the alternative, loan the proceeds of the Bonds to the Company pursuant to a loan agreement by and between the Issuer and the Company, whereby the Company 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 Bonds; and
- (d) secure the Bonds in such manner as the Issuer, the Company or the purchasers of the Bonds mutually deem appropriate. The Issuer shall not be required to incur and shall not incur any financial liability with respect to the Project.

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

- (a) execution and delivery by the Company of the Preliminary Agreement attached hereto as Exhibit "A" setting forth certain conditions for the issuance of the Bonds;
- (b) agreement by the Issuer, the Company and the purchaser of the Bonds on mutually acceptable terms for the Bonds 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 Bonds 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 Bonds has been obtained.

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

5. The law firm of Winston & Strawn LLP, New York, New York, is hereby appointed Bond Counsel to the Issuer in relation to the issuance of the Bonds.

6. Based upon the information provided by the Company to the Issuer in the Company's application for financing, the Issuer reasonably expects that expenditures to be incurred by the Company in connection with the Project on or prior to the date of issuance and sale of the Bonds, in an amount presently estimated to be Twenty-five Million Five Hundred Thousand and 00/100 Dollars (\$25,500,000.00) and not to exceed Twenty-Seven Million and 00/100 Dollars (\$27,000,000.00) will be reimbursed to the Company out of the proceeds of the Bonds. It is intended that this resolution shall constitute a declaration of official intent under United States Treasury Regulation 1.150-2.

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

8. The Chairman (or Vice Chairman) of the Issuer is hereby authorized and directed to distribute copies of this Resolution to the Company 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.

9. This Resolution shall take effect immediately.

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

Charles Daniels III, Chairman	VOTING
Timothy Dean, Vice Chairman	VOTING
Phyllis DiStasi Keenan, Secretary/Treasurer	VOTING
Angela E. Flesland	VOTING
Edward Summers	VOTING
Mark Doyle	VOTING
Alfred D. Torreggiani	VOTING

The Resolution was thereupon declared duly adopted.

Adopted: June 16, 2015

PRELIMINARY AGREEMENT

HUDSON VALLEY PROPERTY HOLDINGS, LLC Project, Series 2015

THIS PRELIMINARY AGREEMENT (the “Preliminary Agreement”), made as of June 16, 2015 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 **HUDSON VALLEY PROPERTY HOLDINGS, LLC**, a Delaware limited liability company, organized and existing under the laws of the State of Delaware and authorized to do business in the State of New York, having offices c/o Westchester County Health Care Corporation, 100 Woods Road, Valhalla, New York 10595 (the “Company”).

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 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 of the Issuer shall find such action to be in furtherance of the purposes for which it was organized; and to issue bonds for the purpose of carrying out any of its powers; all bonds to be payable solely out of revenues and receipts derived from the leasing or sale by the Issuer of its projects; and

WHEREAS, Hudson Valley Property Holdings, LLC, a Delaware limited liability company (the “Company”), has submitted an application to the Issuer, a copy of which application is on file at the office of the Issuer, which application requested that the Issuer consider undertaking a Project (as defined below) for the benefit of the Company to be located at One Webster Avenue, Poughkeepsie, New York bearing Tax Map No. 134689-6162-09-090607-0000 (the “Property”), consisting of the following:

- (D) The acquisition of an existing four (4) story building plus basement containing approximately 148,896 square feet known as the Atrium Health Center located on the Property, to be owned by the Company, to be operated as a multi-purpose facility, portions of which are: (i) leased to and used by the Westchester County Health Care Corporation for various administrative and support functions (including, but not limited to, a laboratory, kitchen, cafeteria, storage space, gift shop, patient registration, pre-admission

testing, patient accounting and employee health and wellness) and various patient care services (including, but not limited to radiology, wound care, specialty clinics, vascular surgery, and trauma department) and (ii) leased or subleased to, and used by, certain physicians, physician groups, or associations providing a variety of health care services (including, but not limited to, urology, internal medicine, pediatrics, digestive disease treatment, psychiatry, oncology and prosthetic and orthotic devices) (collectively, the “Facility”);

- (E) paying of all or a portion of the costs incidental to the issuance of the Bonds (defined below), including issuance costs of the Bonds (collectively, paragraphs (A) and (B) shall be referred to herein as the “Project”); and
- (F) the financing of all or a portion of the costs of the foregoing Project by the issuance of tax-exempt revenue and/or taxable 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, all presently estimated to be approximately Twenty-five Million Five Hundred Thousand and 00/100 Dollars (\$25,500,000.00) but not to exceed Twenty-Seven Million and 00/100 Dollars (\$27,000,000.00) (the “Bonds”); and

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

WHEREAS, on June 16, 2015, the Issuer adopted a Preliminary Resolution (the “Preliminary Resolution”) authorizing the Project and the execution of this Preliminary Agreement.

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

1. Undertakings of the Issuer. Based upon the statements, representations, and undertakings of the Company 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 an issue of its Bonds, pursuant to the terms of the Act as then in force, in an aggregate principal amount presently estimated to be Twenty-Five Million Five Hundred Thousand and 00/100 Dollars (\$25,500,000.00) and not to exceed Twenty-Seven Million and 00/100 Dollars (\$27,000,000.00) for the purpose of financing the Project and paying necessary incidental expenses in connection therewith.

(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 Bonds, (ii) the financial assistance contemplated by the Project including the issuance of the Bonds and providing a potential exemption from mortgage

recording taxes, and (iii) the loaning of the proceeds of the Bonds to the Company, all as shall be authorized by law and be mutually satisfactory to the Issuer and the Company.

(c) The Issuer shall enter into an agreement to loan the proceeds of the Bonds to the Company pursuant to a loan agreement by and between the Issuer and the Company (the "Loan Agreement"), whereby the Company 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 Bonds.

(d) 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 Company. The Company hereby represents to the Issuer that:

(a) The Facility is located in the County;

(b) The financing of the Project through the issuance of the Bonds will encourage and assist the Company in providing the Project;

(c) The proposed financing will contribute to the retention of employment at the Company and will enhance the competitiveness of the Company; and

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

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

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

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

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

(d) (i) The Company 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: (1) labor, services, materials and supplies, including equipment, ordered or used in connection with the Project (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 Company acting as agent for the Issuer pursuant to this Preliminary Agreement or otherwise; or (2) any untrue statement or alleged untrue statement of a material fact included in the Company's application to the Issuer or the omission or alleged omission to state therein a material fact necessary in order to make the statements herein, in the light of the circumstances under which they were made, not misleading (except that the Company shall not indemnify the Issuer for such untrue or omitted information supplied by the Issuer about the Issuer or its actions in relation to the issuance of the Bonds).

(ii) The Company 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 Company shall not be required to indemnify the Issuer for the willful misconduct or grossly negligent conduct of the Issuer.

(e) The Company 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.

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 Company that this Preliminary Agreement be superseded in its entirety by the Loan Agreement.

(b) It is understood and agreed by the Issuer and the Company that the issuance of the Bonds 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 Company and the purchasers of the Bonds upon mutually acceptable terms for the Bonds and for the Loan Agreement.

(c) The Company 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 Bonds.

(d) All commitments of the Issuer under Section 1 hereof and of the Company under Sections 2 and 3 hereof (excepting the obligations of the Company set forth in subsections 3(d) and 4(c) hereof, which shall survive the termination of this Preliminary Agreement) are subject to the condition that the Bonds 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 Company).

IN WITNESS WHEREOF, the parties hereto have entered into this Preliminary Agreement as of the 16th day of June, 2015.

DUTCHESS COUNTY LOCAL DEVELOPMENT
CORPORATION

By: _____
Sarah Lee, Executive Director

HUDSON VALLEY PROPERTY HOLDINGS,
LLC

By: _____
Anthony E. Costello, Senior Vice President,
Professional Support Services