



underberg & kessler LLP

December 27, 2017

Ontario County Local Development Corporation
Canandaigua, New York

The Bank of New York Mellon, as Trustee
New York, New York

Key Government Finance, Inc., as Purchaser
Syracuse, New York

Re: \$33,400,000 Ontario County Local Development Corporation
Revenue Refunding Bonds, Series 2017A
(The Frederick Ferris Thompson Hospital Project)

and

\$2,480,000 Ontario County Local Development Corporation
Taxable Revenue Refunding Bonds, Series 2017B
(The Frederick Ferris Thompson Hospital Project)

Ladies and Gentlemen:

We have acted as counsel to the Ontario County Local Development Corporation (the “**Issuer**”) in connection with the preparation of:

- (i) a certain Indenture of Trust, dated as of December 1, 2017 (the “**Indenture**”), by and between the Issuer and The Bank of New York Mellon, as trustee for the benefit of the Bondholders (the “**Trustee**”);
- (ii) a certain Bond Resolution, duly adopted by the Issuer on December 11, 2017 (the “**Bond Resolution**”);
- (iii) a certain Loan Agreement, dated as of December 1, 2017 (the “**Loan Agreement**”), by and between the Issuer and the Hospital;
- (iv) a certain Tax Regulatory Agreement, dated as of even date herewith (the “**Tax Regulatory Agreement**”), by and between the Hospital and the Issuer;
- (v) a certain Endorsement to Promissory Note, dated December 27, 2017 (the “**Series 2017A Endorsement**”) from the Hospital to the Issuer; and



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- (vi) a certain Endorsement to Promissory Note, dated December 27, 2017, from the Hospital to the Issuer (the “**Series 2017B Endorsement**”); and, together with the Series 2017A Endorsement, the “**Endorsements**”);

all with respect to the Issuer’s \$33,400,000 Revenue Refunding Bonds, Series 2017A (The Frederick Ferris Thompson Hospital Project) (the “**Series 2017A Bonds**”) and its \$2,480,000 Taxable Revenue Refunding Bonds, Series 2017B (The Frederick Ferris Thompson Hospital Project) (the “**Series 2017B Bonds**”); and, together with the Series 2017A Bonds, the “**Series 2017 Bonds**”), dated as of the date hereof and issued by the Issuer to provide for and finance the costs of the Series 2017 Project (as such term is defined in the Indenture).

Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned thereto in the Indenture.

We have examined originals or copies certified or otherwise identified to our satisfaction of the proceedings of the Issuer, certificates of the Issuer’s officers and executed counterparts of the Loan Agreement, the Indenture, the Tax Regulatory Agreement, the Endorsements and the Series 2017 Bonds (collectively, the “**Issuer Documents**”). We have also examined such statutes, court decisions, proceedings and other documents as we have considered necessary or appropriate in the circumstances to render the following opinion.

It is our opinion that:

1. The Issuer is duly established and in good standing under Section 1411 of the New York Not-For-Profit Corporation Law (collectively, the “**Act**”), and is a corporate governmental agency constituting a local development corporation of the State of New York.
2. Under the Act, it is the purpose of the Issuer to act as a local development corporation for Ontario County, New York (the “**County**”), by conducting activities that will relieve and reduce unemployment; promote and provide for additional and maximum employment; better and maintain job opportunities; carry on scientific research for the purpose of aiding County by attracting new industry to County; or by encouraging the development of, or retention of, an industry in County; and lessening the burdens of government and acting in the public interest. In accordance with the Act, the Issuer has determined to loan the proceeds of the Series 2017 Bonds to the Hospital pursuant to the Loan Agreement.
3. The Issuer has power and lawful authority to execute and deliver the Issuer Documents and the Series 2017 Bonds; to borrow the amount provided for in the Bond Resolution; to issue and sell the Series 2017 Bonds as provided in the Bond Resolution and the Indenture in



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order to evidence such borrowing; and to apply the proceeds of the Series 2017 Bonds to the payment of the costs of the Series 2017 Project; and to perform and observe the provisions of the Issuer Documents and the Series 2017 Bonds on its part to be performed and observed.

4. The Issuer has conducted a public hearing on the issuance of the Series 2017A Bonds and the nature and location of the Series 2017A Project after public notice and has obtained the approval of the appropriate governmental body or officer, all in compliance with Section 147(f) of the Internal Revenue Code of 1986.

5. By the Bond Resolution, duly adopted on December 11, 2017, the Issuer has duly authorized lending the proceeds of the Series 2017 Bonds to the Hospital as described in the Loan Agreement, the Series 2017 Project, the execution and delivery of the Issuer Documents and the issuance, sale, execution and delivery of the Series 2017 Bonds.

6. Neither the corporate existence of the Issuer nor the entitlement of the present members or officers of the Issuer to their respective offices is, in any manner, being contested.

7. The execution and performance of the Issuer Documents and the issuance of the Series 2017 Bonds and the transactions contemplated thereby will not violate any applicable provisions of existing law or regulation or its by-laws or any decree, writ, order or injunction, and will not contravene the provisions or constitute a default under any agreement, indenture, bond resolution or other instrument to which the Issuer is a party or by which the Issuer is bound.

8. All action on the part of the Issuer necessary for the execution and performance of the Issuer Documents, and for the issuance and payment of the Series 2017 Bonds, and for the undertaking of the other transactions on the part of the Issuer contemplated by the Bond Resolution have been duly and effectively taken. Under existing law, no consent, authorization or approval of or filing or registration with any governmental or regulatory body is required for the execution or performance of the Issuer Documents or the issuance or payment of the Series 2017 Bonds, or the undertaking of the transactions contemplated thereby, except the aforesaid action on the part of the Issuer which has been duly and effectively taken.

9. All requirements and conditions specified in the Act and in all other laws and regulations applicable to the Issuer, to the adoption of the Bond Resolution, to finance or refinance, in whole or in part the Series 2017 Project as contemplated in the Loan Agreement, to the execution, delivery and performance of the Issuer Documents and to the execution, delivery and issuance of the Bonds have been fulfilled.



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10. There is no litigation pending or, to our knowledge, threatened in any court, either State or Federal, calling into question the creation, organization or existence of the Issuer, the validity of the Issuer Documents or of the Series 2017 Bonds, or the authority of the Issuer to loan the proceeds of the Series 2017 Bonds to the Hospital under the Loan Agreement, to finance or refinance, in whole or in part, the Series 2017 Project, to make or perform the Issuer Documents or to issue and pay the Series 2017 Bonds.

11. The Issuer Documents and the Series 2017 Bonds have been duly authorized, executed and delivered by the Issuer and constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms.

12. All consents of, registration with or approval by any government officer, agency or commission required for the issuance of the Series 2017 Bonds has been received, and no further registration with, consent of or approval by any governmental officer, agency or commission is necessary for the issuance of the Series 2017 Bonds.

13. Based upon the opinion of counsel to the Hospital, the Issuer has complied with the terms of the New York State Environmental Quality Review Act and all applicable regulations thereunder in connection with the financing of the Series 2017 Project through the issuance of the Series 2017 Bonds pursuant to the Loan Agreement, the Indenture and the Bond Purchase and Continuing Covenants Agreement.

14. To the best of our knowledge, the representations of the Issuer contained in Section 2.1 of the Loan Agreement are true as of the date hereof.

15. To the best of our knowledge, no Event of Default on the part of the Issuer specified in the Issuer Documents and no event which, with notice or lapse of time or both, would become an Event of Default as specified in the Issuer Documents has occurred or is continuing.

In rendering the foregoing opinion, we are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of any financial data supplied with respect to this transaction and make no representation that we have independently verified the accuracy, completeness or fairness of any such financial data.

Except as provided herein, we express no opinion as to the sufficiency of the description of the Series 2017 Project, the Land or the Equipment, or as to title to the Facility, the Land or the Equipment, or as to the adequacy, perfection or priority of the lien or any mortgage on or any security interest in any collateral security for the Series 2017 Bonds.



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Except as otherwise provided herein, we express no opinion with respect to whether the Hospital has complied with the State Environmental Quality Review Act, has obtained any necessary governmental approvals or permits or consents or has complied with all applicable laws, rules and regulations in connection with the acquisition, renovation, construction, equipping, furnishing and operation of the Facility and the loaning of the proceeds of the Series 2017 Bonds for the Series 2017 Project by the Issuer.

In connection with our examination, we have assumed the genuineness of all signatures, the accuracy of all documents submitted to us as originals and the conformity to originals of all documents submitted as certified or reproduced copies. Our opinions expressed herein are limited to the date hereof, and we do not in any event undertake to advise you of any facts or circumstances occurring or coming to our attention subsequent to the date hereof. Finally, we are counsel admitted to practice only in the State of New York and we express no opinion as to the laws of any jurisdiction other than the laws of the State of New York and the United States of America.

The foregoing opinions are qualified only to the extent that the enforceability of the Issuer Documents may be limited by bankruptcy, insolvency or other laws of general application affecting the enforcement of creditors' rights and by restrictions on the availability of equitable remedies and to the extent, if any, that enforceability of the indemnification and contribution provisions of such documents may be limited under law. We express no opinion with respect to the availability of any specific remedy provided for in any of the Issuer Documents.

This opinion is provided at the request of Bond Counsel to the Issuer and is to be limited in its use to reliance by Bond Counsel to the Issuer and the other addressees hereto. This letter is not to be quoted in whole or in part or otherwise referred to, nor is it to be filed with any governmental agency or other person without the prior written consent of the undersigned, provided, however, that we understand that Bond Counsel to the Issuer intends to rely on this opinion in giving their opinion of even date herewith relating to the Series 2017 Bonds and the transactions described herein.

We undertake no obligation to update or modify the views expressed herein with respect to changes in the laws or transactions which occur after the date of this letter.

The opinion expressed herein may be relied upon by Bond Counsel in connection with their opinion relating to the Series 2017 Bonds.

Very truly yours



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