

Date: June 17, 2020

At a meeting of the Town of Brookhaven Local Development Corporation (the “**Issuer**”), held electronically via conference call, on the 17th day of June, 2020, the following members of the Issuer were:

Present: Frederick C. Braun III
Felix J. Grucci, Jr.
Martin Callahan
Ann-Marie Scheidt
Gary Pollakusky
Frank C. Trotta

Recused:

Excused: Scott Middleton

Also Present: Lisa M. G. Mulligan, Chief Executive Officer

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to the issuance and sale of the Issuer’s proposed Revenue Bonds Series 2020A (Active Retirement Community, Inc., d/b/a Jefferson’s Ferry Project) and Revenue Bonds Series 2020B (Active Retirement Community, Inc., d/b/a Jefferson’s Ferry Project), in an aggregate principal amount presently estimated to be approximately \$100,000,000 but not to exceed \$125,000,000.

The following resolution was duly moved, seconded, discussed and adopted with the following members voting:

Voting Aye

Voting Nay

Braun
Grucci
Callahan
Scheidt
Pollakusky
Trotta

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF THE ISSUER'S REVENUE BONDS, SERIES 2020A (ACTIVE RETIREMENT COMMUNITY, INC. D/B/A JEFFERSON'S FERRY PROJECT) AND ITS REVENUE BONDS SERIES 2020B (ACTIVE RETIREMENT COMMUNITY, INC. D/B/A JEFFERSON'S FERRY PROJECT), IN THE AGGREGATE PRINCIPAL AMOUNT PRESENTLY ESTIMATED TO BE APPROXIMATELY \$100,000,000 BUT NOT TO EXCEED \$125,000,000 MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE PROJECT AND REQUESTING TOWN SUPERVISOR OF THE TOWN OF BROOKHAVEN, NEW YORK TO APPROVE THE ISSUANCE OF THE SERIES 2020 BONDS.

WHEREAS, pursuant to and in accordance with the provisions of Section 1411 of the New York Not-for-Profit Corporation Law, as amended (collectively, the "**Act**"), the Town of Brookhaven Local Development Corporation was created with the authority and power to issue its revenue bonds for the purpose of, among other things, financing and/or refinancing the acquisition, construction, renovation and equipping of certain facilities as authorized by the Act; and

WHEREAS, Active Retirement Community, Inc. d/b/a Jefferson's Ferry, a New York not-for-profit corporation and an organization described in Section 501(c)(3) of the Code and exempt from federal income taxation pursuant to Section 501(a) of the Code (the "**Institution**"), has submitted a proposal to the Issuer, that the Issuer issue, pursuant to the terms of the Indenture (as defined below), in one or more series as part of a plan of financing its Revenue Bonds, Series 2020A (Active Retirement Community, Inc. d/b/a Jefferson's Ferry Project) (the "**Series 2020A Bonds**") and its Revenue Bonds Series 2020B (Active Retirement Community, Inc. d/b/a Jefferson's Ferry Project) (the "**Series 2020B Bonds**"), and together with the Series 2020A Bonds, the "**Series 2020 Bonds**"), as qualified 501(c)(3) bonds under Section 145 of the Code, in the aggregate principal amount presently expected to be \$100,000,000 but not to exceed \$125,000,000, for the benefit of the Institution for the purpose of providing funds in an amount sufficient for:

- (A) The financing or refinancing of the renovation, construction, and equipping of "Jefferson's Ferry", a New York State not-for-profit Continuing Care Retirement Community authorized under Article 46 of the New York Public Health Law, owned and operated by the Institution and located at One Jefferson Ferry Drive, South Setauket, New York 11720-2645 on an approximately 50-acre site (the "**Land**"), including, but not limited to: (i) the construction of a new, approximately 28,520 square foot building containing approximately twenty (20) assisted living memory care suites, (ii) the renovation of approximately 14,022 square feet of the existing approximately 46,267 square foot assisted living building, (iii) the construction of an approximately 4,917 square foot addition to, and the renovation of approximately 9,910 square feet of the existing approximately 35,626 square foot skilled nursing building, (iv)

the construction of an approximately 22,802 square foot addition to, and the renovation of approximately 25,007 square feet of the existing 40,713 square foot community center, (v) the construction of an approximately 51,157 square foot addition to the existing 163,043 square foot independent living building located at the north side of the Facility (as defined below), (vi) the construction of an approximately 51,157 square foot addition to the existing 148,832 square foot independent living building located at the south side of the Facility, and (vii) the construction of a new, approximately 11,350 square foot independent living building to be located on the west side of the Facility, and (viii) the acquisition and installation of machinery and equipment in connection with the foregoing, for a total of approximately 169,903 square feet of new buildings and additions to existing buildings, and the renovation of approximately 48,939 square feet of space in the existing approximately 488,023 square foot continuing care retirement community for the benefit of eligible senior citizens, to consist (when completed) of approximately three-hundred twenty-one (321) independent living units consisting of two-hundred ninety-three (293) apartments and twenty-eight (28) cottages (collectively, the “**Independent Living Units**”), sixty (60) assisted living apartments, sixty (60) skilled nursing facility beds, twenty (20) assisted living memory care suites, common areas, dining facilities, nurses’ stations, rehabilitation and treatment facilities, administrative offices and related infrastructure such as roads, sewers, utilities, parking lots, drainage areas, ponds and maintenance facilities (collectively, the “**Facility**”);

- (B) the payment of all or a portion of the costs incidental to the issuance of the Series 2020 Bonds, including issuance costs of the Series 2020 Bonds, capitalized interest and any reserve funds as may be necessary to secure the Series 2020 Bonds ((A) and (B) are referred to collectively as, the “**Series 2020 Project**”).

WHEREAS, the proceeds of the Series 2020 Bonds will be loaned by the Issuer to the Institution for the financing of the Series 2020 Project, pursuant to 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 Series 2020 Project and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, a public notice of the hearing was given as required by Section 147(f) of the Code, the notice of which (together with proof of publication) is substantially in the form annexed hereto as Exhibit A and such notice complies with all requirements of the Code; and

WHEREAS, a public hearing was held to hear all persons with views in favor of or opposed to the issuance of the Series 2020 Bonds, the Series 2020 Project, and the

other financial assistance contemplated by the Issuer, the minutes of which are substantially in the form annexed hereto as Exhibit B; and

WHEREAS, the Issuer has proposed to loan the proceeds of the Series 2020 Bonds to the Institution pursuant to a Loan Agreement, to be dated as of October 1, 2020, or such other date as may be determined (the “**Loan Agreement**”), to pay for the costs of the financing of the Series 2020 Project, whereby the Institution 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 2020 Bonds; and

WHEREAS, in addition to the issuance of the Series 2020 Bonds, the Issuer contemplates that it will provide financial assistance to the Institution in connection with the Series 2020 Project in the form of exemptions from mortgage recording taxes in connection with the financing of the Series 2020 Project, consistent with the policies of the Issuer; and

WHEREAS, by Certificate of Approval to be executed prior to the issuance of the Series 2020 Bonds by the Honorable Edward P. Romaine, Supervisor of Town of Brookhaven, New York (the “**Town Supervisor**”), the “applicable elected representative” as required under Section 147(f) of the Code will have approved the issuance of the Series 2020 Bonds; and

WHEREAS, the Institution has received a commitment from Herbert J. Sims and Co., Inc. (the “**Underwriter**”) to sell the Series 2020 Bonds in accordance with the Bond Purchase Agreement (as hereinafter defined) in the aggregate principal amount presently estimated to be \$100,000,000 but not to exceed \$125,000,000; and

WHEREAS, pursuant to Article 8 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 Series 2020 Project and the issuance of the Series 2020 Bonds may have a significant effect upon the environment, the Institution prepared and submitted to the Issuer an Environmental Assessment Form (“**EAF**”) and related documents (the “**Questionnaire**”) with respect to the Series 2020 Project, a copy of which is on file at the office of the Issuer; and

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

WHEREAS, the Institution has agreed to indemnify the Issuer against certain losses, claims, expenses, damages and liabilities which may arise in connection with the transactions contemplated by the issuance of the Series 2020 Bonds and the financing of the Series 2020 Project;

NOW, THEREFORE, BE IT RESOLVED by the Town of Brookhaven Local Development Corporation (a majority of the members thereof affirmatively concurring) as follows:

Section 1. Based upon the Environmental Assessment Form completed by the Institution and reviewed by the Issuer and other representations and information furnished by the Institution regarding the Facility, the Issuer determines that the action relating to the construction, renovation, equipping, and operation of the Facility is an “unlisted” action, as that term is defined in the SEQRA Act. The Issuer also determines that the issuance of the Series 2020 Bonds and the financing of the Series 2020 Project will not have a “significant effect” on the environment, and, therefore, an environmental impact statement will not be prepared. This determination constitutes a negative declaration for purposes of SEQRA. Notice of this determination shall be filed to the extent required by the applicable regulations under that Act or as may be deemed advisable by the Chairman, Chief Executive Officer or Bond Counsel to the Issuer.

Section 2. The Issuer hereby finds and determines:

(a) By virtue of the Act, the Issuer has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(b) The (i) financing of the Series 2020 Project and (ii) lending of the proceeds of the Series 2020 Bonds pursuant to the Loan Agreement will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Brookhaven and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(c) It approves of the location of the site of the Facility; and

(d) Based upon representations and warranties of the Institution, the Facility conforms with the local zoning laws and planning regulations of the Town of Brookhaven and all regional and local land use plans for the area in which the Series 2020 Project is located; and

(e) The financing of the Series 2020 Project is reasonably necessary to induce the Institution to maintain and expand its operations within the State of New York; and

(f) The Facility and the operations conducted therein will not cause or result in the violation of the health, labor or other laws of the United States of America, the State of New York or the Town of Brookhaven; and

(g) The Facility and the operations conducted therein will not have a significant effect on the environment, as determined in accordance with the SEQRA Act; and

(h) It is desirable and in the public interest for the Issuer to issue and sell the Series 2020 Bonds in the aggregate principal amount presently estimated to be

\$100,000,000 but not to exceed \$125,000,000, upon the terms and conditions set forth in a certain Bond Purchase Agreement, dated a date to be determined (the “**Bond Purchase Agreement**”), by and among the Issuer, the Underwriter, and the Institution for the purpose of financing the costs of the Series 2020 Project, together with necessary incidental expenses in connection therewith; and

(i) The Indenture of Trust, to be dated as of October 1, 2020 or such other date as may be determined by the Chairman, Chief Executive Officer and Bond Counsel (the “**Indenture**”), will be an effective instrument which, among other things, secures the Series 2020 Bonds, assigns to U.S. Bank National Association, as trustee (the “**Trustee**”), certain rights and remedies of the Issuer under the Loan Agreement and authorizes the Trustee to accept and execute trusts of the character set forth in the Indenture; and

(j) The Loan Agreement will be an effective instrument whereby the Issuer will loan the proceeds of the Series 2020 Bonds to the Institution; and

(k) The Series 2020A Promissory Note (the “**Series 2020A Note**”) and the Series 2020B Promissory Note (the “**Series 2020B Note**”; and together with the Series 2020A Note, the “**Notes**”), each to be dated the date of issuance of the Series 2020 Bonds and each will be from the Institution to the Issuer, and each to be endorsed by the Issuer to the Trustee (the “**Endorsements to Notes**”), will be effective instruments evidencing the Institution’s obligation to make loan payments to the Issuer; and

(l) The Building Loan Fee and Leasehold Mortgage and Security Agreement (the “**Building Loan Mortgage**”), and the Project Loan Fee and Leasehold Mortgage (the “**Project Loan Mortgage**”; and, together with the Building Loan Mortgage collectively, the “**Mortgages**”), each to be dated as of October 1, 2020, or such other date as may be determined by the Chairman, Vice Chairman or Chief Executive Officer and Bond Counsel, and each to be from the Institution and South Setauket ILU, LLC (the “**Lessee**”), to the Issuer, will be effective instruments whereby the Institution and the Lessee will secure Obligation No. 2 (the “**Series 2020A Obligation**”) and Obligation No. 3 (the “**Series 2020B Obligation**”, and together with the Series 2020A Obligation, the “**Series 2020 Obligations**”) issued under the Master Trust Indenture, dated as of November 1, 2016, as amended and supplemented to date (the “**Master Trust Indenture**”) by and among the Institution, the Lessee and U.S. Bank National Association, as master trustee (the “**Master Trustee**”), which such Series 2020 Obligations will be issued to secure the Series 2020 Bonds; and

(m) The Assignment of Building Loan Fee and Leasehold Mortgage and Security Agreement (the “**Building Loan Mortgage Assignment**”) and the Assignment of Project Loan Fee and Leasehold Mortgage and Security Agreement (the “**Project Loan Mortgage Assignment**”; and, together with the Building Loan Mortgage Assignment are collectively, the “**Assignments of Mortgages**”), each to be dated the date of delivery of the Series 2020 Bonds and each from the Issuer to the Master Trustee, will be an effective instrument whereby the Issuer assigns to the Master Trustee certain of the Issuer’s rights and remedies under the Mortgages; and

(n) The Building Loan Agreement (the “**Building Loan Agreement**”), dated as of October 1, 2020, or such other date as may be determined by the Chairman, Vice Chairman or Chief Executive Officer and Bond Counsel, by and among the Institution, the Issuer and the Trustee, will be an effective instrument which will secure the Institution’s obligations to use the building loan proceeds for the construction and renovation of the Facility; and

(o) The Environmental Compliance and Indemnification Agreement (the “**Environmental Compliance and Indemnification Agreement**”), dated as of October 1, 2020 or such other date as may be determined by the Chairman, Vice Chairman or Chief Executive Officer and Bond Counsel, by and among the Institution, the Issuer and the Trustee, will be an effective instrument whereby the Institution provides representations and agreements with respect to the environmental conditions at the Facility; and

(o) The Tax Regulatory Agreement, dated the date of issuance of the Series 2020 Bonds, by and between the Institution and the Issuer and acknowledged by the Trustee (the “**Tax Regulatory Agreement**”), will be an effective instrument whereby the Institution and the Issuer set forth certain representations, expectations, conditions and covenants establishing compliance with the restrictions imposed by the Code relating to hearings and approval by the Issuer, activities of the Institution, the Series 2020 Bonds, the Series 2020 Project, the Facility and the application of the proceeds of the Series 2020 Bonds; and

(p) The proposed form of the Preliminary Official Statement (the “**Preliminary Official Statement**”) and the final Official Statement (the “**Final Official Statement**”); and, together with the Preliminary Official Statement, the “**Official Statement**”), distributed by the Underwriter and the Institution in connection with the issuance of the Series 2020 Bonds, contains true and accurate information regarding the ability of the Issuer to issue the Series 2020 Bonds, and the information contained therein regarding the Issuer, the Series 2020 Bonds, the Bond Purchase Agreement, the Indenture, and the Loan Agreement, is hereby approved; and

(q) Based on representations by the Institution, as reviewed by Bond Counsel, under Section 103(a) and Section 145(a) of the Code and the applicable regulations of the Department of Treasury promulgated thereunder, the interest on an issue of revenue bonds issued by a local development corporation of a State for certain facilities for use by an organization described in Section 501(c)(3) of the Code is excludable from gross income for federal income tax purposes, subject to the limitations and requirements of the Code.

Section 3. In consequence of the foregoing, the Issuer hereby determines to: (i) issue and sell the Series 2020 Bonds to the Underwriter pursuant to and in accordance with the Indenture and the Bond Purchase Agreement, (ii) use the proceeds of the Series 2020 Bonds to finance all or a portion of the Costs of the Series 2020 Project (as defined in the Indenture), (iii) loan the proceeds of the Series 2020 Bonds to the Institution pursuant to the Loan Agreement, (iv) secure the Series 2020 Obligations by assigning the

Mortgages to the Master Trustee pursuant to the Assignments of Mortgages, (v) secure the Series 2020 Bonds by vesting certain powers and duties in the Trustee pursuant to the Indenture, and by assigning to the Trustee certain of the Issuer's rights and remedies under the Loan Agreement, the Series 2020 Obligations, and the Notes, (vi) secure the building loan proceeds with the Building Loan Agreement, (vii) enter into the Environmental Compliance and Indemnification Agreement, (viii) enter into the Tax Regulatory Agreement with respect to the Series 2020 Bonds, and (ix) file the Information Return for Private Activity Bond Issues, Form 8038 (the "**Information Return**") in the manner and at the places provided in the Code.

Section 4. The Issuer is hereby authorized to loan the proceeds of the Series 2020 Bonds to the Institution pursuant to the terms of the Loan Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Issuer with respect to such loan are hereby approved, ratified and confirmed.

Section 5. The Issuer is hereby authorized to issue and execute, sell and deliver the Series 2020 Bonds to the Underwriter in the aggregate principal amount presently estimated to be \$100,000,000 but not to exceed \$125,000,000, pursuant to the Act and in accordance with the Indenture provided that:

(a) The Series 2020 Bonds shall (i) be issued, executed and delivered at such time as the Chairman or the Chief Executive Officer of the Issuer shall determine, and (ii) bear interest at the rates, be subject to redemption prior to maturity, and have such other provisions and be issued in such manner and on such conditions as set forth in the Series 2020 Bonds, the Bond Purchase Agreement and the Indenture, which terms are specifically incorporated herein with the same force and effect as if fully set forth herein.

(b) The Series 2020 Bonds shall be issued solely for the purpose of providing funds to finance all or a portion of the Costs of the Series 2020 Project including, without limitation, funding reserve funds with respect to the Series 2020 Bonds, if required and to pay certain costs of issuance, including without limitation the administrative, legal, financial and other expenses of the Issuer incurred in connection with the financing of the Series 2020 Project and which are incidental to the issuance of the Series 2020 Bonds.

(c) The Series 2020 Bonds and the interest thereon are not and shall never be a debt of the State of New York or the Town of Brookhaven, and neither the State of New York nor the Town of Brookhaven, shall be liable thereon.

(d) The Series 2020 Bonds, together with interest payable thereon, shall be special obligations of the Issuer payable solely from the revenues and receipts derived from the Institution or from the enforcement of the security provided by the Loan Agreement and the Series 2020 Obligations.

(e) Notwithstanding any other provision of this resolution, the Issuer covenants that it will make no use of the proceeds of the Series 2020 Bonds or of any other funds which, if such use were reasonably expected on the date of issue of the Series

2020 Bonds, would cause the Series 2020 Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code.

Section 6.

(a) The Chairman, the Chief Executive Officer, and all members of the Issuer are hereby authorized, on behalf of the Issuer, to execute and deliver the Bond Purchase Agreement, the Indenture, the Loan Agreement, the Assignments of Mortgages, the Endorsements to Notes, the Building Loan Agreement, the Environmental Compliance and Indemnification Agreement, the Tax Regulatory Agreement, the Official Statement, the Series 2020 Bonds, and the Information Return (hereinafter collectively called the “**Financing Documents**”), and, where appropriate, the Secretary or any assistant secretary of the Issuer is hereby authorized to affix the seal of the Issuer to the Series 2020 Bonds, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, the Chief Executive Officer, or any member of the Issuer shall approve. The execution thereof by the Chairman, the Chief Executive Officer, or any member of the Issuer shall constitute conclusive evidence of such approval.

(b) The Chairman, the Chief Executive Officer, and all members of the Issuer are further hereby authorized, on behalf of the Issuer, to designate any additional Authorized Representatives of the Issuer (as defined in the Indenture).

(c) The Chairman and the Chief Executive Officer are each hereby authorized on behalf of the Issuer to deem the Preliminary Official Statement final for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, with such changes therein as shall be approved by such officers upon the advice of counsel to the Issuer and Bond Counsel, and such officers shall on behalf of the Issuer authorize and approve the execution, delivery and distribution of the Official Statement in connection with the offer and sale of the Series 2020 Bonds.

Section 7. 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 the foregoing 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 8.

(a) It is desirable and in the best interest of the Issuer that, in connection with the issuance of the Series 2020 Bonds, the Series 2020 Bonds be qualified or registered for offer in various states authorized by the Issuer and that each of the members, officers, employees and agents of the Issuer be, and they hereby are each, authorized to determine

the states in which appropriate action shall be taken to qualify or register for offer all or such part of the Series 2020 Bonds as said members, officers, employees and agents may deem advisable (and any such action taken to date is hereby approved, ratified and confirmed); that each of said members, officers, employees and agents be, and they hereby are each, authorized and directed to take any and all action for and on behalf of the Issuer, in connection with the proposed sale of the Series 2020 Bonds, which they may deem necessary or appropriate to obtain licenses or permits, or register, qualify or notice the Series 2020 Bonds for offering and issuance under the securities or Blue Sky laws of such of the various states as each of said members, officers, employees and agents may deem advisable (and any such action taken to date is hereby approved, ratified and confirmed), and in connection with such registrations, licenses, permits, qualifications or notices, to execute and file for and on behalf of the Issuer all such applications, notices, reports, issuer's covenants, resolutions, irrevocable consents to service of process (including appointment of a designated state official to act as agent to receive process), powers of attorney and information, and to take all such further action as any of them may deem necessary or desirable to keep in effect such registrations, licenses, permits, qualifications or notices or to comply with the requirements of any regulatory commission whose approval or notification with respect to the Series 2020 Bonds may be required (and any such action taken to date is hereby approved, ratified and confirmed); and that the execution by such members, officers, employees and agents of the Issuer of any such paper or document or the doing by them of any act in connection with the foregoing matters shall conclusively establish their authority therefor and the approval by the Issuer of the papers and documents so executed and the action so taken (and any such action taken to date is hereby approved, ratified and confirmed).

(b) The Issuer hereby adopts the form of any resolution required by any state authority to be filed in connection with any application, consent to service of process or other document mentioned in the foregoing resolution if (i) in the opinion of a member, officer, employee or agent of the Issuer the adoption of such a resolution is necessary or advisable, and (ii) the Secretary or Assistant Secretary of the Issuer evidences such adoption by attaching to the minutes of this meeting copies of such resolutions, which will thereupon be deemed to have been adopted by the Issuer with the same force and effect as if originally attached to the minutes of this meeting (and any such action taken to date is hereby approved, confirmed and ratified).

(c) The Issuer hereby resolves that each of such members, officers, employees and agents be, and they hereby are each, authorized and directed to take any and all action for and on behalf of the Issuer in connection with the proposed issuance and offering of the Series 2020 Bonds which they may deem necessary or appropriate to render the Series 2020 Bonds legal for investment by savings banks, insurance companies, trust funds and any other institutions in such other of the various states as such members, officers, employees or agents may deem advisable (and any such action taken to date is hereby approved, confirmed and ratified).

Section 9. This resolution shall take effect immediately and the Series 2020 Bonds are hereby ordered to be issued in accordance with this resolution.

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 Town of Brookhaven Local Development Corporation (the “**Issuer**”) on the 17th day of June, 2020, at 9:30 a.m., local time, as described below, in connection with the following matters:

Active Retirement Community, Inc. d/b/a Jefferson’s Ferry, a New York not-for-profit corporation and an organization described in Section 501(c)(3) of the Code and exempt from federal income taxation pursuant to Section 501(a) of the Code (the “**Institution**”), has submitted a proposal to the Issuer, that the Issuer issue in one or more series as part of a plan of financing its Revenue Bonds, Series 2020 (Active Retirement Community, Inc. d/b/a Jefferson’s Ferry Project), as qualified 501(c)(3) bonds under Section 145 of the Code, in the aggregate principal amount presently expected to be \$100,000,000 but not to exceed \$125,000,000 (the “**Series 2020 Bonds**”), for the benefit of the Institution for the purpose of providing funds in an amount sufficient for:

- (A) The financing or refinancing of the renovation, construction, and equipping of “Jefferson’s Ferry”, a New York State not-for-profit Continuing Care Retirement Community authorized under Article 46 of the New York Public Health Law, owned and operated by the Institution and located at One Jefferson Ferry Drive, South Setauket, New York 11720-2645 on an approximately 50-acre site (the “**Land**”), including, but not limited to: (i) the construction of a new, approximately 28,520 square foot building containing approximately twenty (20) assisted living memory care suites, (ii) the renovation of approximately 14,022 square feet of the existing approximately 46,267 square foot assisted living building, (iii) the construction of an approximately 4,917 square foot addition to, and the renovation of approximately 9,910 square feet of the existing approximately 35,626 square foot skilled nursing building, (iv) the construction of an approximately 22,802 square foot addition to, and the renovation of approximately 25,007 square feet of the existing 40,713 square foot community center, (v) the construction of an approximately 51,157 square foot addition to the existing 163,043 square foot independent living building located at the north side of the Facility (as defined below), (vi) the construction of an approximately 51,157 square foot addition to the existing 148,832 square foot independent living building located at the south side of the Facility, and (vii) the construction of a new, approximately 11,350 square foot independent living building to be located on the west side of the Facility, and (viii) the acquisition and installation of machinery and equipment in connection with the foregoing, for a total of approximately 169,903 square feet of new buildings and additions to existing buildings, and the renovation of approximately 48,939 square feet of space in the existing approximately 488,023 square foot continuing care retirement community for the benefit of eligible senior citizens, to consist (when

completed) of approximately three-hundred twenty-one (321) independent living units (including two-hundred ninety-three (293) apartments and twenty-eight (28) cottages), sixty (60) assisted living apartments, sixty (60) skilled nursing facility beds, twenty (20) assisted living memory care suites, common areas, dining facilities, nurses' stations, rehabilitation and treatment facilities, administrative offices and related infrastructure such as roads, sewers, utilities, parking lots, drainage areas, ponds and maintenance facilities (collectively, the "**Facility**");

- (B) the payment of all or a portion of the costs incidental to the issuance of the Series 2020 Bonds, including issuance costs of the Series 2020 Bonds, capitalized interest and any reserve funds as may be necessary to secure the Series 2020 Bonds ((A) and (B) are referred to collectively as, the "**Project**").

The proceeds of the Series 2020 Bonds will be loaned by the Issuer to the Institution pursuant to the terms of a certain loan agreement (the "**Loan Agreement**") between the Issuer and the Institution to pay the costs of the Project. The Institution will be initial owner and principal user of the Facility. The Series 2020 Bonds will be special obligations of the Issuer payable solely from loan payments made by the Institution to the Issuer pursuant to the Loan Agreement and certain other assets of the Institution pledged to the repayment of the Series 2020 Bonds. The Series 2020 Bonds shall not be a debt of the State of New York or any political subdivision thereof, including the Town of Brookhaven, and neither the State of New York nor any political subdivision thereof, including the Town of Brookhaven, shall be liable thereon.

In addition to the issuance of the Series 2020 Bonds, the Issuer contemplates that it will provide financial assistance to the Institution in connection with the Project in the form of exemptions from mortgage recording taxes in connection with the financing or subsequent refinancing of the Project, consistent with the policies of the Issuer, to be more particularly described in a Bond Resolution to be adopted by the Issuer prior to the issuance of the Series 2020 Bonds

Due to the Novel Coronavirus (COVID-19) Emergency, State and Federal bans on large meetings or gatherings and in accordance with Governor Cuomo's Executive Order 202.1 issued on March 12, 2020, as amended by Executive Order 202.14, issued on April 7, 2020, suspending the Open Meetings Law, and Executive Order 202.15 issued on April 9, 2020, as extended by Executive Order 202.28 issued on May 7, 2020, permitting local governments to hold public hearings by telephone and video conference and/or similar device, the Issuer will hold a hearing remotely by telephone conference call on the proposed financing and transaction set forth above, at the date and time listed above. Interested members of the public are invited to participate in the conference call for the public hearing by dialing 1-877-870-5858 (Toll Free) and entering the following password: 3500483#. In order to facilitate registration of participants, it is requested that members of the public call the above number no later than five minutes before start time. If a member of the public is having difficulty accessing the telephone conference call, they should contact the LDC at (631) 451-6563 for assistance.

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 2020 Bonds, the granting of other financial assistance contemplated by the Issuer or the location or nature of the Project. For those members of the public desiring to review the application for financial assistance before the date of the hearing, copies of these materials will be made available at www.brookhavenlde.org. starting on or about June 10, 2020 at 9:00 a.m. Persons desiring to make a brief statement during the conference call regarding the proposed transactions should give prior notice to the Issuer by contacting The Town of Brookhaven Local Development Corporation no later than 5 p.m. the day before the hearing. Such notice of intention to make a brief statement and any written comments may be submitted to the Issuer at the following email addresses: BrookhavenIda@brookhavenny.gov and jlinse@brookhavenny.gov

Minutes of the hearing will be made available to Hon. Edward P. Romaine, Supervisor of the Town of Brookhaven. Approval of the issuance of the Series 2020 Bonds by the Town of Brookhaven, through Hon. Edward P. Romaine, is necessary in order for the interest on the Series 2020 Bonds to be excluded from gross income for federal income tax purposes.

Dated: June 9, 2020

**TOWN OF BROOKHAVEN LOCAL
DEVELOPMENT CORPORATION**

By: Lisa MG Mulligan
Title: Chief Executive Officer

EXHIBIT B

MINUTES OF PUBLIC HEARING
ON JUNE 17, 2020

TOWN OF BROOKHAVEN LOCAL DEVELOPMENT CORPORATION
REVENUE BONDS, SERIES 2020
(ACTIVE RETIREMENT COMMUNITY, INC., D/B/A JEFFERSON'S FERRY
PROJECT)