

PRELIMINARY RESOLUTION OF THE TOWN OF BROOKHAVEN LOCAL DEVELOPMENT CORPORATION TAKING OFFICIAL ACTION TOWARD THE ISSUANCE OF ITS REVENUE BONDS IN AN AMOUNT SUFFICIENT TO FINANCE OR REFINANCE CERTAIN COSTS OF THE BROOKHAVEN MEMORIAL HOSPITAL MEDICAL CENTER, INC. PROJECT AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE PROJECT

WHEREAS, Brookhaven Memorial Hospital Medical Center, Inc., a New York not-for-profit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "**Code**"), and exempt from federal income taxation pursuant to Section 501(a) of the Code, and doing business as Long Island Community Hospital (the "**Hospital**"), has submitted a proposal to the Town of Brookhaven Local Development Corporation (the "**Issuer**"), that the Issuer issue in one or more series as part of a plan of financing its Revenue Refunding Bonds, Series 2020 (Brookhaven Memorial Hospital Medical Center, Inc. Project) as qualified 501(c)(3) bonds under Section 145 of the Code, in the aggregate principal amount presently estimated to be approximately \$66,000,000 but not to exceed \$75,000,000 (the "**Series 2020 Bonds**"), the proceeds of the Series 2020 Bonds will be loaned to the Hospital and applied to pay, or reimburse the Hospital for paying, the costs of the following (collectively, the "**Project**"):

- (A) the refinancing of the Town of Brookhaven Industrial Development Agency's (the "**Agency**") \$20,000,000 Civic Facility Revenue Refunding Bonds, Series 2006A (Brookhaven Memorial Hospital Medical Center, Inc. Civic Facility) (the "**Series 2006A Bonds**"), the proceeds of which Series 2006A Bonds were used to (a) advanced refund the Agency's \$20,000,000 Civic Facility Revenue Bonds, Series 2000A (Brookhaven Memorial Hospital Medical Center, Inc. Civic Facility) (the "**Series 2000A Bonds**"), the proceeds of which Series 2000A Bonds were used for (i) all costs of leasing and subleasing the 2000 Facility (as hereinafter defined); (ii) the refinancing of all or a portion of a taxable loan from The Dime Savings Bank of New York to the Hospital, with a principal balance of approximately \$6,300,000, which taxable loan refinanced a tax exempt loan from the Dormitory Authority of the State of New York to the Hospital which, among other things, had been used to finance certain improvements at the Hospital's 35-acre main hospital campus located at 101 Hospital Road, in Patchogue, Town of Brookhaven, Suffolk County, New York (the "**Main Campus**"), and to finance renovations at the Hospital's outpatient facility located at 101-147 West Main Street, in the Village of Patchogue, Town of Brookhaven, Suffolk County, New York (the "**Outpatient Facility**"); (iii) the renovation, equipping and expansion of the Hospital's Main Campus, including the construction and equipping of a new approximately 28,000 square foot Emergency Department (the "**Emergency Department**"), and together with the Main Campus and the Outpatient Facility, the "**2000 Facility**"), and paying all costs of the 2000 Project (as hereinafter defined); (iv) funding a debt service reserve fund; and (v) paying all costs of the issuance of the Series 2000A Bonds and other costs incidental

thereto (collectively, the “**2000 Project**”); and (b) pay a portion of the costs of issuance of the Series 2006A Bonds (collectively, the “**2006 Project**”); and

- (B) the refinancing of the Issuer’s Revenue Bonds, Series 2014A (Brookhaven Memorial Hospital Medical Center, Inc. Project) (the “**Series 2014A Bonds**”) and its Revenue Bonds, Series 2014B (Brookhaven Memorial Hospital Medical Center, Inc. Project) (the “**Series 2014B Bonds**”, and together with the Series 2014A Bonds, the “**Series 2014 Bonds**”), the proceeds of which Series 2014 Bonds were used for (a) the acquisition, development, construction, renovation, installation, equipping, improvement and upgrade of the Hospital and the Hospital’s campus facilities located on the Main Campus, including, but not limited to, design, development, construction and equipping of (i) a modular unit to provide catheterization and other clinical or support services, (ii) the Knapp Cardiac Center, a three-story, approximately 60,000-square-foot addition to the existing main hospital that will house a centralized suite for cardiac catheterization labs, a four-room operating suite and a post-anesthesia care unit, (iii) a new lobby entrance and common area, as well as an approximately 12,500-square-foot mechanical penthouse, and (iv) the renovation of certain space in the existing main hospital building in connection with the new construction and the relocation of certain services (collectively, the “**2014 Hospital Improvements**”), all for use by the Hospital in the providing of inpatient and ambulatory health care services to the community; (b) the refinancing of two term loans held by TD Bank, N.A., with a then outstanding balance of \$12,479,100.16, the proceeds of which were used to pay the costs of (i) constructing and equipping a one-story, approximately 5,500-square-foot sewer treatment plant and (ii) upgrading the Hospital’s electrical system, all on the Main Campus (the “**2014 Refinanced Improvements**”, and together with the 2014 Hospital Improvements, the “**2014 Facility**”); and (c) the payment of all or a portion of the costs incidental to the issuance of the Series 2014 Bonds, including issuance costs of the Series 2014 Bonds and capitalized interest (collectively, the “**2014 Project**”); and
- (C) the refinancing of one or more Capital Equipment Leases the proceeds of which were used to purchase critical pieces of equipment located throughout the Hospital’s facilities and to be more fully described in the Bond Resolution and totaling approximately \$7,000,000 (collectively, the “**Capital Equipment Leases**”); and
- (D) the financing or refinancing of the acquisition, construction, renovation, installation, equipping, improvements, upgrades of the Hospital’s Main Campus including, but not limited to, acquisition and installation of certain medical, surgical and diagnostic equipment, computers, servers, software and information technology upgrades, DR X-ray room for OP imaging, Keyscan (Door Access System) to support new operating system, upgrades to Blood Bank, Carestream Revolution portable x-ray, Invivo/Philips MRI safe monitor, replacement of WIS Ultrasound, contract media injectors for CT scans and

upgrade or replace 3D workstation for CT, Pharmacy upgrade and printers for Pharmacy, ultrasound for vascular program, Novius print server, Emergency Department Bladder Scanner, server for Atellica upgrade in lab, Cardia Rehab Telemetry system, electrical safety tester for dialysis (the “**2020 Improvements**”), more fully described in the Bond Resolution in an amount presently expected to be approximately \$15,000,000; and

- (E) paying all or a portion of the costs incidental to the issuance of the Series 2020 Bonds, including issuance costs of the Series 2020 Bonds and any reserve funds as may be necessary to secure the Series 2020 Bonds; and

WHEREAS, the proceeds of the Series 2020 Bonds will be loaned by the Issuer to the Hospital for the financing and refinancing of the Project, pursuant to Section 1411 of the New York Not-For-Profit Corporation Law (collectively, 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 Project and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, prior to the issuance of the Series 2020 Bonds, a public hearing (the “**Hearing**”) will be held so that all persons with views in favor of or opposed to either the issuance of the Series 2020 Bonds, the other financial assistance contemplated by the Issuer or the location or nature of the Project, can be heard;

WHEREAS, pursuant to Section 147(f) of the Code, interest on the Series 2020 Bonds will not be excluded from gross income for federal income tax purposes unless the issuance of the Series 2020 Bonds is approved by the “applicable elected representative” of the Town of Brookhaven (the “**Town Supervisor**”) after a public hearing has been held on the Project and the issuance of the Series 2020 Bonds; and

WHEREAS, the Issuer is in the process of obtaining supplemental information from the Hospital in connection with the Hospital’s application for financial assistance, dated February 12, 2020, as amended (the “**Application**”) which supplemental information is necessary in order for the Issuer to consider the Hospital’s request for financial assistance and the Hospital will submit all such information in form satisfactory to the Issuer as soon as it is available (the “**Supplemental Materials**”); and

WHEREAS, the Hospital reasonably expects that it will pay or incur certain capital expenditures in connection with the Project prior to the issuance of the Series 2020 Bonds for the Project; and

WHEREAS, the Hospital expects that it will use funds from sources other than the proceeds of the Series 2020 Bonds which are or will be available on a short-term basis to pay for preliminary expenditures and the acquisition, construction, renovation and/or equipping of the Project; and

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

WHEREAS, pursuant to the State Environmental Quality Review Act (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 Project may have a significant effect upon the environment, the Hospital has prepared and submitted to the Issuer an Environmental Assessment Form and related documents (the “Questionnaire”) with respect to the Project, a copy of which is on file at the office of the Issuer; and

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

Section 1. Based upon the Environmental Assessment Form completed by the Hospital and reviewed by the Issuer and other representations and information furnished by the Hospital regarding the Project, the Issuer determines that the action relating to the acquisition, construction, renovation, equipping and operation of the Project is an “Unlisted” action, as that term is defined in the SEQR Act. The Issuer also determines that the action 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 SEQR. Notice of this determination shall be filed to the extent required by the applicable regulations under SEQR or as may be deemed advisable by the Chairman or Chief Executive Officer of the Issuer or counsel to the Issuer.

Section 2. At such time as the Hospital submits to the Issuer the Supplemental Materials, the Issuer will undertake to review and determine that the Application is in final form and the Issuer will consider the Hospital’s request for financial assistance.

Section 3. (a) The financing and refinancing of the Project and the financing or refinancing thereof by the Issuer, through the issuance of the Series 2020 Bonds pursuant to the Act, and the provision of other financial assistance in connection therewith pursuant to the Act, will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the Town of Brookhaven and the people of the State of New York and improve their standard of living, and thereby serve the public purposes of the Act and the same is, therefore, approved;

(b) It is desirable and in the public interest for the Issuer to issue the Series 2020 Bonds for the purposes of financing or refinancing the costs of the acquisition, construction, renovation, equipping and furnishing of the Project, together with necessary incidental expenses in connection therewith as

reflected in the Hospital's application to the Issuer, as amended from time to time prior to the issuance of the Series 2020 Bonds. The currently estimated aggregate principal amount of the Series 2020 Bonds to be issued is presently estimated to be \$66,000,000 but not to exceed \$75,000,000.

Section 4. The Chairman of the Issuer is hereby authorized and directed to distribute copies of this preliminary resolution to the Hospital and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this preliminary resolution.

Section 5. The issuance of the Series 2020 Bonds and the other transactions contemplated hereunder in connection with the acquisition, construction, renovation and equipping of the Project by the Issuer will be subject to the following conditions: (i) the submission of the Supplemental Materials by the Hospital to the Issuer, (ii) all approvals, consents and building permits by applicable boards of the Town of Brookhaven, and (iii) the holding of the Hearing and the approval of the Town Supervisor as required by the Code, and (iv) adoption by the Issuer of a bond resolution authorizing the issuance of the Series 2020 Bonds and the transactions contemplated hereunder.

Section 6. Nothing herein shall be construed as authorizing the Issuer to fund, undertake or approve the financing or refinancing of the acquisition, construction, renovation and equipping of the Project until such time as the Supplemental Materials have been submitted and reviewed.

Section 6. To the extent the Hospital has paid or incurred or will pay or incur preliminary expenditures or hard costs in connection with the Project with its current funds, it reasonably expects to reimburse itself with proceeds from the Project Bonds. This Resolution is intended to be a declaration of official intent pursuant to Section 1.150-2 of the Treasury Regulations to reimburse prior expenditures made by the Hospital for the Project with proceeds of the Series 2020 Bonds.

Section 7. The law firm of Nixon Peabody LLP is hereby appointed Bond Counsel to the Issuer in connection with the issuance of the Series 2020 Bonds.

Section 8. Counsel to the Issuer and Bond Counsel are hereby authorized to work with counsel to the Hospital and others to prepare, for submission to the Issuer, all documents necessary to effect the authorization, issuance and sale of the Series 2020 Bonds.

Section 9. To the extent the Hospital has paid or incurred or will pay or incur preliminary expenditures or hard costs in connection with the acquisition, construction, renovation and equipping of the Project with current funds, they reasonably expect to reimburse themselves with proceeds from the Series 2020 Bonds.

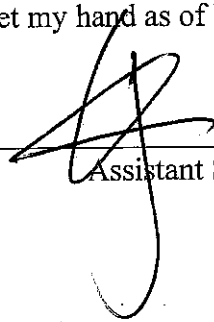
Section 10. Upon receipt of the Supplemental Materials, the Issuer is hereby authorized to publish notice of the Hearing and to hold the Hearing in accordance with the provisions of Section 147(f) of the Code.

Section 11. This preliminary inducement resolution shall take effect immediately.

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

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

IN WITNESS WHEREOF, I have hereunto set my hand as of February 26, 2020.



Assistant Secretary