

Date: November 16, 2016

At a meeting of the Town of Brookhaven Industrial Development Agency (the "Agency"), held on the 16th day of November, 2016 at 7:45 a.m., at 1 Independence Hill, 3rd Floor, Farmingville, New York 11738, the following members of the Agency were:

Present: Frederick C. Braun, III
Martin Callahan
Michael Kelly
Scott Middleton
Gary Pollakusky

Recused: Frederick C. Braun, III

Absent: Felix J. Grucci, Jr.
Ann-Marie Scheidt

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 acquisition of a leasehold interest in and title to a certain industrial development facility more particularly described below (14 Glover, LLC 2016 Facility) and the leasing of the facility to 14 Glover, LLC

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

Voting Aye

Callahan
Kelly
Middleton
Pollakusky

Voting Nay

RESOLUTION OF THE TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE
APPOINTMENT OF 14 GLOVER, LLC, A NEW YORK
LIMITED LIABILITY COMPANY, ON BEHALF OF ITSELF
AND/OR THE PRINCIPALS OF 14 GLOVER, LLC AND/OR
AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF
ANY OF THE FOREGOING AS AGENT OF THE AGENCY
FOR THE PURPOSE OF ACQUIRING, RENOVATING,
CONSTRUCTING AND EQUIPPING THE FACILITY,
APPROVING THE ACQUISITION, RENOVATION,
CONSTRUCTION AND EQUIPPING OF SUCH INDUSTRIAL
DEVELOPMENT FACILITY MAKING CERTAIN FINDINGS
AND DETERMINATIONS WITH RESPECT TO THE
FACILITY AND APPROVING THE FORM, SUBSTANCE AND
EXECUTION OF RELATED DOCUMENTS

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 358 of the Laws of 1970 of the State of New York, as amended from time to time (collectively, the "**Act**"), the Town of Brookhaven Industrial Development Agency was created with the authority and power among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, 14 Glover, LLC, a limited liability company organized and existing under the laws of the State of New York on behalf of itself and/or the principals of 14 Glover, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "**Company**"), has applied to the Town of Brookhaven Industrial Development Agency (the "**Agency**") to enter into a transaction in which the Agency will assist in: (i) the acquisition of a parcel of land totaling approximately 14.06 acres located at 14 Glover Drive, Yaphank, Town of Brookhaven, Suffolk County, New York (the "**Land**"), (ii) the acquisition and renovation of an existing 5-story approximately 185,274 square foot building located thereon including, but not limited to, the construction and equipping of (a) an approximately 300 square foot addition to the existing building for a total building square footage of approximately 185,574 square feet, and (b) new HVAC systems, plumbing, electrical, lighting, windows, roofing, paving, landscaping (collectively, the "**Improvements**"); and (iii) the acquisition and installation of furniture, fixtures and equipment including, but not limited to, medical equipment and business office equipment and furniture (collectively, the "**Equipment**"; and, together with the Land and the Improvements, the "**Facility**"), all to be leased by the Agency to the Company for further sublease by the Company to Brookhaven Memorial Hospital Medical Center (the "**Hospital**") and various other tenants yet to be determined, for out-patient clinical care, office space, assisted living/memory care and substance abuse services, or other medical related uses (the "**Project**"), including the following as they relate to the acquisition, renovation and equipping of such Facility, whether or not any materials or supplies described below are incorporated into or become an integral part of such Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition, renovation, construction and equipping of the Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in

connection with the acquisition, renovation, construction and equipping of the Facility, and (iii) all purchases, leases, rentals and uses of equipment, machinery and other tangible personal property (including installation costs with respect thereto) installed or placed in, upon or under such Facility; and

WHEREAS, the Agency will acquire a leasehold interest in the Land and the Improvements pursuant to a certain Company Lease Agreement, dated as of December 1, 2016 or such other date as the Chairman or the Chief Executive Officer of the Agency and counsel to the Agency shall agree (the "**Company Lease**"), by and between the Company and the Agency; and

WHEREAS, the Agency will sublease and lease the Facility to the Company pursuant to a certain Lease and Project Agreement, dated as of December 1, 2016 or such other date as the Chairman or the Chief Executive Officer of the Agency and counsel to the Agency shall agree (the "**Lease Agreement**"), by and between the Agency and the Company; and

WHEREAS, as security for a loan or loans (as such term is defined in the Lease Agreement) the Agency and the Company will execute and deliver to a lender or lenders not yet determined (collectively, the "**Lender**"), a mortgage or mortgages, and such other loan documents satisfactory to the Agency, upon advice of counsel, in both form and substance, as may be reasonably required by the Lender, to be dated a date to be determined, in connection with the financing, any refinancing or permanent financing of the costs of the acquisition, renovation, construction and equipping of the Facility (collectively, the "**Loan Documents**"); and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company consistent with the policies of the Agency, in the form of (i) exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be \$25,000,000 but not to exceed \$30,000,000 in connection with the financing of the acquisition, renovation and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, renovating, constructing and equipping the Facility (ii) exemptions from sales and use taxes in an amount not to exceed \$2,400,000.00 in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit C hereof), consistent with the policies of the Agency; and

WHEREAS, the Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the Facility 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 hearing (the "**Hearing**") was held on November 16, 2016 and notice of the Hearing was given and such notice (together with proof of publication) together with the minutes of the Hearing are in substantially in the form annexed hereto as Exhibits A and B respectively; and

WHEREAS, the Agency has given due consideration to the application of the Company and to representations by the Company that the proposed Facility is either an inducement to the Company to maintain and expand the Facility in the Town of Brookhaven or is necessary to maintain the competitive position of the Company in its industry; 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 Agency constitutes a "State Agency"; and

WHEREAS, to aid the Agency in determining whether the Facility may have a significant effect upon the environment, the Company has prepared and submitted to the Agency an Environmental Assessment Form and related documents (the "Questionnaire") with respect to the Facility, a copy of which is on file at the office of the Agency; and

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

WHEREAS, the Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the leasing of the Facility by the Agency to the Company;

NOW, THEREFORE, BE IT RESOLVED by the Agency (a majority of the members thereof affirmatively concurring) as follows:

Section 1. Based upon the Environmental Assessment Form completed by the Company and reviewed by the Agency and other representations and information furnished by the Company regarding the Facility, the Agency determines that the action relating to the acquisition, renovation, equipping, and operation of the Facility is an "unlisted" action, as that term is defined in the SEQR Act. The Agency 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 Executive Director of the Agency or counsel to the Agency.

Section 2. The Agency hereby finds and determines:

(a) By virtue of the Act, the Agency 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 Facility constitutes a "project", as such term is defined in the Act; and

(c) The acquisition, renovation, construction and equipping of the Facility and the leasing of the Facility to the Company, will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of 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

(d) The acquisition, renovation, construction and equipping of the Facility is reasonably necessary to induce the Company to maintain and expand its business operations in the State of New York; and

(e) Based upon representations of the Company and counsel to the Company, the Facility conforms with the local zoning laws and planning regulations of the Town of Brookhaven, Suffolk County, and all regional and local land use plans for the area in which the Facility is located; and

(f) The Facility and the operations conducted therein do not have a significant effect on the environment, as determined in accordance with Article 8 of the Environmental Conservation Law of the State of New York and the regulations promulgated thereunder; and

(g) It is desirable and in the public interest for the Agency to lease the Facility to the Company; and

(h) The Company Lease will be an effective instrument whereby the Agency leases the Land and the Improvements from the Company; and

(i) The Lease Agreement will be an effective instrument whereby the Agency leases the Facility to the Company, the Agency and the Company set forth the terms and conditions of their agreement regarding payments-in-lieu of taxes, the Company agrees to comply with all Environmental Laws (as defined therein) applicable to the Facility and will describe the circumstances in which the Agency may recapture some or all of the benefits granted to the Company; and

(j) The Loan Documents to which the Agency is a party will be effective instruments whereby the Agency and the Company agree to secure the loan made to the Company by the Lender.

Section 3. The Agency has assessed all material information included in connection with the Company's application for financial assistance, including but not limited to, the cost-benefit analysis prepared by the Agency and such information has provided the Agency a reasonable basis for its decision to provide the financial assistance described herein to the Company.

Section 4. In consequence of the foregoing, the Agency hereby determines to: (i) lease the Land and the Improvements from the Company pursuant to the Company Lease, (ii) execute, deliver and perform the Company Lease, (iii) lease and sublease the Facility to the Company pursuant to the Lease Agreement, (iv) execute, deliver and perform the Lease Agreement, (v) grant a mortgage on and security interests in and to the Facility pursuant to the Loan Documents, and (vi) execute and deliver the Loan Documents to which the Agency is a party

Section 5. The Agency is hereby authorized to acquire the Facility and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed. The Agency is hereby further authorized to execute and deliver the Loan Documents in

connection with the financing of the costs of acquiring, renovating and equipping the Facility and any future Loan Documents in connection with any future refinancing or permanent financing of such costs of acquiring, renovating and equipping of the Facility without the need for any further or future approvals of the Agency.

Section 6. The Agency is hereby authorized to acquire the Facility and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

Section 7. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company in connection with the acquisition, renovation, construction and equipping of the Facility in the form of (i) exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be \$25,000,000 but not to exceed \$30,000,000 in connection with the financing of the acquisition, renovation, construction and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, renovating, constructing and equipping the Facility (ii) exemptions from sales and use taxes in an amount not to exceed \$2,400,000.00, in connection with the purchase or lease of equipment, building materials, services or other personal property, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit C hereof), consistent with the policies of the Agency.

Section 8. Subject to the provisions of this resolution, the Company is herewith and hereby appointed the agent of the Agency to acquire, renovate and equip the Facility. The Company is hereby empowered to delegate its status as agent of the Agency to its agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company may choose in order to acquire, renovate, construct and equip the Facility. The Agency hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company as agents of the Agency solely for purposes of making sales or leases of goods, services and supplies to the Facility, and any such transaction between any agent, subagent, contractor, subcontractor, materialmen, vendor or supplier, and the Company, as agent of the Agency, shall be deemed to be on behalf of the Agency and for the benefit of the Facility. This agency appointment expressly excludes the purchase by the Company of any motor vehicles, including any cars, trucks, vans or buses which are licensed by the Department of Motor Vehicles for use on public highways or streets. The Company shall indemnify the Agency with respect to any transaction of any kind between and among the agents, subagents, contractors, subcontractors, materialmen, vendors and/or suppliers and the Company, as agent of the Agency. The aforesaid appointment of the Company as agent of the Agency to acquire, demolish, renovate, construct and equip the Facility shall expire at the earlier of (a) the completion of such activities and improvements, (b) a date which the Agency designates, or (c) the date on which the Company has received exemptions from sales and use taxes in an amount not to exceed \$2,400,000.00 in connection with the purchase or lease of equipment, building materials, services or other personal property; provided however, such appointment may be extended at the discretion of the Agency, upon the written request of the Company if such activities and improvements are not completed by such time. The aforesaid appointment of

the Company is subject to the completion of the transaction and the execution of the documents contemplated by this resolution.

Section 9. The Company hereby agrees to comply with Section 875 of the Act. The Company further agrees that the exemption of sales and use tax provided pursuant to the Act and the appointment of the Company as agent of the Agency pursuant to this Authorizing Resolution is subject to termination and recapture of benefits pursuant to Section 875 of the Act and the Lease Agreement.

Section 10. The form and substance of the Company Lease and the Lease Agreement (each in substantially the forms presented to or approved by the Agency and which, prior to the execution and delivery thereof, may be redated and renamed) are hereby approved.

Section 11.

(a) The Chairman, the Chief Executive Officer of the Agency or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Company Lease and the Lease Agreement, and the Loan Documents to which the Agency is a party, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, the Chief Executive Officer of the Agency or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman and counsel to the Agency, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the "**Agency Documents**"). The execution thereof by the Chairman, the Chief Executive Officer of the Agency or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, the Chief Executive Officer of the Agency or any member of the Agency are further hereby authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Lease Agreement).

Section 12. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, 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 Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 13. Any expenses incurred by the Agency with respect to the Facility shall be paid by the Company. By acceptance hereof, the Company agrees to pay such expenses and further agree to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or

any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Facility.

Section 14. This resolution shall take effect immediately.

ADOPTED: NOVEMBER 16, 2016

ACCEPTED: _____, 2016

14 GLOVER, LLC

By: _____

Name:

Title:

STATE OF NEW YORK)
 : SS.:
COUNTY OF SUFFOLK)

I, the undersigned Assistant Secretary of the Town of Brookhaven Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Town of Brookhaven Industrial Development Agency (the "Agency"), including the resolutions contained therein, held on the 16th day of November, 2016, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

That the Agency Documents contained in this transcript of proceedings are each in substantially the form presented to the Agency and/or approved by said meeting.

I FURTHER CERTIFY that public notice of the time and place of said meeting was duly given to the public and the news media in accordance with the New York Open Meetings Law, constituting Chapter 511 of the Laws of 1976 of the State of New York, that all members of said Agency had due notice of said meeting and that the meeting was all respects duly held.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 16th day of November, 2016.

By: _____

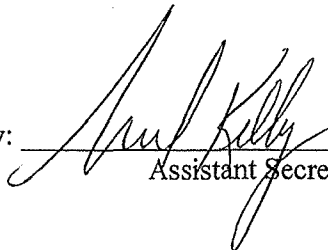

Assistant Secretary

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Title 1 of Article 18-A of the New York State General Municipal Law will be held by the Town of Brookhaven Industrial Development Agency on the 16th day of November, 2016, at 10:00 a.m., local time, at the Town of Brookhaven Department of Economic Development, 1 Independence Hill, 2nd Floor, Farmingville, New York, in connection with the following matters:

14 Glover, LLC, a limited liability company organized and existing under the laws of the State of New York (the "**Company**"), whose sole member is Brookhaven Health Care Services Corporation, 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 "**Corporation**"), has applied to the Town of Brookhaven Industrial Development Agency (the "**Agency**") to enter into a transaction in which the Agency will assist in: (i) the acquisition of a parcel of land totaling approximately 14.06 acres located at 14 Glover Drive, Yaphank, Town of Brookhaven, Suffolk County, New York (the "**Land**"), (ii) the acquisition and renovation of an existing 5-story approximately 185,274 square foot building located thereon including, but not limited to, the construction and equipping of (a) an approximately 300 square foot addition to the existing building for a total building square footage of approximately 185,574 square feet, and (b) new HVAC systems, plumbing, electrical, lighting, windows, roofing, paving, landscaping (collectively, the "**Improvements**"); and (iii) the acquisition and installation of furniture, fixtures and equipment including, but not limited to, medical equipment and business office equipment and furniture (collectively, the "**Equipment**"; and, together with the Land and the Improvements, the "**Facility**"), all to be leased by the Agency to the Company for further sublease by the Company to Brookhaven Memorial Hospital Medical Center (the "**Hospital**") and various other tenants yet to be determined, for out-patient clinical care, office space, assisted living/memory care and substance abuse services, or other medical related uses. The Facility will be initially owned and managed by the Company.

The Agency will acquire a leasehold interest in the Facility and will lease or sublease the Facility to the Company. The Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from sales and use taxes in connection with the acquisition, construction, renovation, equipping and financing of the Facility, exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing or permanent financing of the Facility and abatement of real property taxes, all consistent with the policies of the Agency.

A representative of the Agency 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 proposed financial assistance to the Company or the location or nature of the Facility. At the hearing, all persons will have the opportunity to review the application for financial assistance filed by the Company with the Agency and an analysis of the costs and benefits of the proposed Facility.

Dated: November __, 2016

TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT
AGENCY

By: Lisa MG Mulligan
Title: Chief Executive Officer

EXHIBIT B

MINUTES OF PUBLIC HEARING HELD ON
NOVEMBER 16, 2016 at 10:00 A.M.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
(14 GLOVER, LLC 2016 FACILITY)

1. James M. Tullo, Deputy Director of the Town of Brookhaven Industrial Development Agency (the "**Agency**") called the hearing to order.
2. The Deputy Director then described the location and nature of the Facility to be financed as follows:

14 Glover, LLC, a limited liability company organized and existing under the laws of the State of New York (the "**Company**"), whose sole member is Brookhaven Health Care Services Corporation, 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 "**Corporation**"), has applied to the Town of Brookhaven Industrial Development Agency (the "**Agency**") to enter into a transaction in which the Agency will assist in: (i) the acquisition of a parcel of land totaling approximately 14.06 acres located at 14 Glover Drive, Yaphank, Town of Brookhaven, Suffolk County, New York (the "**Land**"), (ii) the acquisition and renovation of an existing 5-story approximately 185,274 square foot building located thereon including, but not limited to, the construction and equipping of (a) an approximately 300 square foot addition to the existing building for a total building square footage of approximately 185,574 square feet, and (b) new HVAC systems, plumbing, electrical, lighting, windows, roofing, paving, landscaping (collectively, the "**Improvements**"); and (iii) the acquisition and installation of furniture, fixtures and equipment including, but not limited to, medical equipment and business office equipment and furniture (collectively, the "**Equipment**"; and, together with the Land and the Improvements, the "**Facility**"), all to be leased by the Agency to the Company for further sublease by the Company to Brookhaven Memorial Hospital Medical Center (the "**Hospital**") and various other tenants yet to be determined, for out-patient clinical care, office space, assisted living/memory care and substance abuse services, or other medical related uses. The Facility will be initially owned and managed by the Company.

The Agency will acquire a leasehold interest in the Facility and will lease or sublease the Facility to the Company. The Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from sales and use taxes in connection with the acquisition, construction, renovation, equipping and financing of the Facility, exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing or permanent financing of the Facility and abatement of real property taxes, all consistent with the policies of the Agency.

3. The hearing officer then opened up the hearing for comments from the floor for or against the location and nature of the Facility. The following is a listing of the persons heard and a summary of their views:

N/A

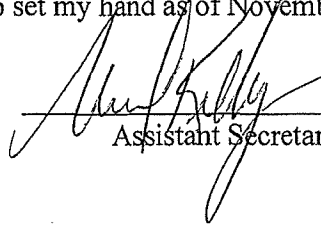
4. The Deputy Director then asked if there were any further comments and, there being none, the hearing was closed at 8:30 a.m.

STATE OF NEW YORK)
 : SS.:
COUNTY OF SUFFOLK)

I, the undersigned Assistant Secretary of the Town of Brookhaven Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the foregoing copy of the minutes of a public hearing held by the Town of Brookhaven Industrial Development Agency (the "Agency") on November 16, 2016, at 8:00 a.m. local time, at Brookhaven Town Hall, with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of the minutes in connection with such matter.

IN WITNESS WHEREOF, I have hereunto set my hand as of November 16, 2016.



Assistant Secretary

EXHIBIT C

Proposed PILOT Schedule

Year	PILOT Amount
1	\$180,000
2	\$180,000
3	\$189,900
4	\$200,345
5	\$211,363
6	\$222,988
7	\$235,253
8	\$248,192
9	\$261,842
10	\$276,244
11	\$291,437
12	\$307,466
13	\$324,377
14	\$342,217
15	\$361,039

Thereafter, 100% of all taxes and assessments, including special ad valorem levies, special assessments and service charges against real property located in the Town of Brookhaven (including any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located) which are or may be for special improvements or special district improvements, that the Company would pay without exemption as if the Facility was owned by the Company exclusive of the Agency's leasehold interest therein.

In addition, at all times, 100% of all special ad valorem levies, special assessments, special district taxes and service charges levied (or would be levied if the Facility were owned by the Company exclusive of the Agency's leasehold interest therein) against the Facility for special improvements or special district improvements.