

Catholic Health Services Bond Resolution

At a meeting of the Nassau County Local Economic Assistance Corporation, Nassau County, New York (the "Issuer"), held at Theodore Roosevelt County Executive & Legislative Building, 1550 Franklin Avenue, Suite 325, Mineola, New York 11501, on the 22nd day of July, 2013, the following members of the board of directors of the Issuer were:

Present: Gary Weiss
Bruce Ungar
Jeffrey Seltzer

Recused:

Absent: Christopher Fusco

Also Present: Joseph J. Kearney
Joseph Foarile

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 2013 (Catholic Health System of Long Island, Inc. Project) presently estimated to be approximately \$90,000,000 but not to exceed \$95,000,000.

The following resolution 2013-08 2013-09 was duly moved, seconded, discussed and adopted with the following members voting:

Voting Aye

Gary Weiss
Jeffrey Seltzer

Voting Nay

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF THE ISSUER'S REVENUE BONDS, SERIES 2013 (CATHOLIC HEALTH SYSTEM OF LONG ISLAND, INC. PROJECT), IN THE AGGREGATE PRINCIPAL AMOUNT PRESENTLY ESTIMATED TO BE APPROXIMATELY \$90,000,000, BUT NOT TO EXCEED \$95,000,000 AND THE EXECUTION OF RELATED DOCUMENTS.

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 Nassau County Local Economic Assistance Corporation (the "**Issuer**") was created with the authority and power to issue its revenue bonds for the purpose of, among other things, acquiring certain industrial facilities as authorized by the Act; and

WHEREAS, there was submitted to the Issuer a proposal to issue its Revenue Bonds, Series 2013 (Catholic Health System of Long Island, Inc. Project) under §145 of the Internal Revenue Code of 1986, as amended (the "**Code**"), in the aggregate principal amount presently estimated to be approximately \$90,000,000 but not to exceed \$95,000,000 (the "**Series 2013 Bonds**"), for the benefit of Catholic Health System of Long Island, Inc. d/b/a Catholic Health Services of Long Island, 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, having an office at 992 North Village Avenue, Rockville Centre, New York 11570 ("**CHS**"), (the "**Organization**"), on behalf of and as the active parent of St. Francis Hospital, Roslyn New York, 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, having an office at 100 Port Washington Boulevard, Roslyn, New York ("**St. Francis Hospital**" or the "**Borrower**" or a "**Member of Obligated Group**") and as the Obligated Group representative of the CHS Obligated Group, consisting of the following five hospitals, of which CHS is the active parent and licensed co-operator, St. Francis Hospital, Roslyn New York, Mercy Medical Center, St. Catherine of Siena Medical Center, St. Charles Hospital and Rehabilitation Center and Good Samaritan Hospital Medical Center, in an amount sufficient to finance and refinance the costs of certain facilities consisting of

(A) refinancing the Dormitory Authority of the State of New York Catholic Health Services of Long Island Obligated Group Revenue Bonds (St. Francis Hospital Project) Series 2004, issued by the Dormitory Authority of the State of New York (the "**Authority**") in the original aggregate principal amount of \$99,645,000 (the "**Series 2004 Bonds**"), approximately \$87,955,000 of which are currently outstanding, and the proceeds of which were used, together with equity, to fund (i) the construction of a three-story and basement level building consisting of two new 80-bed acute care floors and a new 40-bed intensive care floor, including all necessary infrastructure improvements thereto, (ii) the expansion of an existing underground parking facility on the St. Francis campus, (iii) the construction of an addition to the Casey Pavilion-Heart Center, (iv) the expansion and renovation of the central utility plant, (v) the renovation, equipping and repair of and infrastructure improvements to existing facilities of the Institution, (vi) the demolition and removal of St. Rose, Our Lady and St. Joseph Pavilions and bridge and

tunnel connections between the St. Elizabeth and Heart Center buildings, (vii) the relocation of various building and site utilities to accommodate construction of the Project, (viii) landscaping, site improvements and roadway redesigns necessary to support the Project, (ix) modifications to the existing St. Elizabeth-Maria Assunta buildings and the Heart Center, and (x) renovations, repairs and equipment purchases that functionally support or are related to the other components of the Project;

(B) paying redemption premiums in connection with the Series 2004 Bonds; and

(C) the paying of all or a portion of the costs incidental to the issuance of the Series 2013 Bonds, including issuance costs of the Series 2013 Bonds and any reserve funds as may be necessary to secure the Series 2013 Bonds (collectively, the “**Series 2013 Project**”); and

WHEREAS, the proceeds of the Series 2013 Bonds will be loaned by the Issuer to the Organization for the financing and refinancing, acquisition, construction, renovation and equipping of the Series 2013 Project, pursuant to the Act; and

WHEREAS, in compliance with Section 147(f) of the Code, the Issuer, on July 22, 2013, held a public hearing (the “**Public Hearing**”) on the issuance of the Series 2013 Bonds following public notice on July 8, 2013, which public notice is in substantially the same form annexed hereto as Exhibit A and such notice complies with all requirements of the Code and the Act; and

WHEREAS, minutes of the Public Hearing are annexed hereto as Exhibit B; and

WHEREAS, the Issuer is issuing the Series 2013 Bonds pursuant to the terms of an Indenture of Trust, to be dated a date to be determined (the “**Indenture**”), by and between the Issuer and U.S. Bank National Association, as trustee (the “**Trustee**”) or such other Trustee as may be appointed by the Issuer pursuant to the Indenture; and

WHEREAS, contemporaneously with the execution of the Indenture, the Issuer will loan the proceeds of the Series 2013 Bonds to the Borrower for the purposes of (a) refinancing the costs of the Series 2004 Bonds, (b) paying redemption premiums in connection with the Series 2004 Bonds, (c) financing or refinancing the costs of the Series 2013 Project New Improvements, and (d) paying certain costs of issuance of the Series 2013 Bonds pursuant to Loan Agreement, dated a date to be determined (the “**Loan Agreement**”), by and between the Issuer and the Borrower; and

WHEREAS, the Organization and Deutsche Bank Trust Company Americas, as master trustee, as replaced by U.S. Bank National Association, as successor master trustee (the “**Master Trustee**”), previously entered into a Master Trust Indenture, dated as of September 1, 1999 (the “**Master Trust Indenture**”), as the same has been supplemented and amended from time to time, including by an amendment, dated a date to be determined which provides for, among other things, the issuance by the Organization and the Members of the Obligated Group of Indebtedness on a parity basis and to secure such Indebtedness with Obligations issued under the Master Trust Indenture; and

WHEREAS, the Series 2013 Bonds and the Borrower's obligations thereunder, will be secured by Obligations issued by the Members of the Obligated Group under the Master Trust Indenture; and

WHEREAS, in connection with the issuance of the Series 2013 Bonds, the Members of the Obligated Group will issue one or more additional obligations, under the Master Trust Indenture, as security for the Series 2013 Bonds (collectively, the "**MTI 2013 Obligations**"); and

WHEREAS, St. Francis Hospital, Mercy Medical Center, St. Catherine of Siena Medical Center, St. Charles Hospital and Rehabilitation Center and Good Samaritan Hospital Medical Center, as security for the MTI 2013 Obligations issued under the Master Trust Indenture will mortgage their respective interests in the Series 2013 Project pursuant one or more mortgages from St. Francis Hospital, Mercy Medical Center, St. Catherine of Siena Medical Center, St. Charles Hospital and Rehabilitation Center and Good Samaritan Hospital Medical Center, to the Master Trustee (collectively, the "**MTI 2013 Mortgages**"), by and among St. Francis Hospital, Mercy Medical Center, St. Catherine of Siena Medical Center, St. Charles Hospital and Rehabilitation Center and Good Samaritan Hospital Medical Center, and the Master Trustee; and

WHEREAS, the Borrower reasonably expects that it will pay or incur certain capital expenditures in connection with the Series 2013 Project prior to the issuance of the Series 2013 Bonds for the Series 2013 Project; and

WHEREAS, the Borrower will use funds from sources other than the proceeds of the Series 2013 Bond which are or will be available on a short-term basis to pay for preliminary expenditures and the acquisition, construction, renovation, equipping and furnishing of the Series 2013 Project; and

WHEREAS, the Borrower reasonably expects that it will reimburse itself for the use of such funds with proceeds of indebtedness to be issued by the Issuer to finance or refinance the costs of the Series 2013 Project; and

WHEREAS, by Certificate of Approval to be executed prior to the issuance of the Series 2013 Bonds by the Honorable Edward Mangano, County Executive of Nassau County, New York, the "applicable elected representative" as required under Section 147(f) of the Code will have approved the issuance of the Series 2013 Bonds; and

WHEREAS, the Organization and the Borrower have received a commitment from Goldman Sachs and Co. and Morgan Stanley, each a Senior Manager (collectively, the "**Underwriters**"), to sell the Series 2013 Bonds in the aggregate principal amount presently estimated to be \$90,000,000 but not to exceed \$95,000,000; and

WHEREAS, to aid the Issuer in determining whether the Series 2013 Project and the issuance of the Series 2013 Bonds may have a significant effect upon the environment, the Organization and the Borrower prepared and submitted to the Issuer an Environmental Assessment Form ("**EAF**") and related documents (the "**Questionnaire**")

with respect to the Series 2013 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 Borrower 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 2013 Bonds and the financing of the Series 2013 Project;

NOW, THEREFORE, BE IT RESOLVED by the Nassau County Local Economic Assistance Corporation (a majority of the members of the board of directors thereof affirmatively concurring) as follows:

Section 1. Based upon the Questionnaire prepared by the Organization and the Borrower and reviewed by the Issuer, and other representations and information furnished regarding the Action, the Issuer determines that the Action for purposes of review under the State Environmental Quality Review Act ("SEQRA") is an "Unlisted" action as that term is defined under SEQRA. The Issuer also determines that the issuance of the Series 2013 Bonds and the financing of the Series 2013 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, Vice 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) refinancing of the Series 2004 Bonds, (ii) the financing and refinancing of the Series 2013 Project, and (iii) the lending of the proceeds of the Series 2013 Bonds pursuant to the Loan Agreement will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of Nassau County 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 Series 2013 Project; and

(d) Based upon representations and warranties of the Borrower, the Series 2013 Project conforms with the local zoning laws and planning regulations of Nassau County and all regional and local land use plans for the area in which the Series 2013 Project is located; and

(e) The financing and refinancing of the Series 2013 Project is reasonably necessary to induce the Borrower and the Organization to maintain and expand their operations within the State of New York; and

(f) The Series 2013 Project 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 Nassau County; and

(g) The Series 2013 Project and the operations conducted therein will 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

(h) It is desirable and in the public interest for the Issuer to issue and sell the Series 2013 Bonds in the aggregate principal amount presently estimated to be \$90,000,000 but not to exceed \$95,000,000, upon the terms and conditions set forth in a certain Bond Purchase Agreement, dated a date not yet determined (the "**Bond Purchase Agreement**"), by and among the Issuer, the Underwriters, the Organization and the Borrower for the purpose of financing and refinancing the costs of the renovation, construction, equipping and furnishing of the Series 2013 Project, together with necessary incidental expenses in connection therewith; and

(i) The Indenture will be an effective instrument which, among other things, secures the Series 2013 Bonds, assigns to 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 2013 Bonds to St. Francis Hospital; and

(k) The Promissory Note, dated the Closing Date (the "**Note**"), from St. Francis Hospital to the Issuer, will be an effective instrument evidencing St. Francis Hospital's obligations to make loan payments to the Issuer; and

(l) The Assignment of Promissory Note, dated the Closing Date (the "**Assignment of Note**"), from the Issuer to the Trustee, will be an effective instrument which, among other things, assigns the loan payments from St. Francis Hospital from the Issuer to the Trustee; and

(m) The Tax Compliance Agreement, dated the Closing Date, by and between the Borrower and the Issuer (the "**Tax Compliance Agreement**"), will be an effective instrument whereby the Borrower 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 Borrower, the Series 2013 Bonds, the Series 2013 Project and the application of Series 2013 Bond Proceeds; and

(n) 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 Underwriters and the Organization in connection with the issuance of the Series 2013 Bonds, contains true and accurate information regarding the ability of the Issuer to issue the Series 2013 Bonds, and the information contained therein regarding the Issuer, the Series 2013 Bonds, the Bond Purchase Agreement, the Indenture, and the Loan Agreement, is hereby approved; and

(o) Based on representations 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 2013 Bonds to the Underwriters pursuant to and in accordance with the Bond Purchase Agreement, (ii) use the proceeds of the Series 2013 Bonds to finance and refinance the costs of the acquisition, construction, equipping and furnishing of the Series 2013 Project, (iii) loan the proceeds of the Series 2013 Bonds to the Borrower pursuant to the Loan Agreement, (iv) secure the Series 2013 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 and the Assignment of Note, (v) secure the Series 2013 Bonds by granting a lien upon and security interest in the Series 2013 Project to the Trustee pursuant to the Loan Agreement, and (vii) 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 2013 Bonds to the Borrower 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 2013 Bonds to the Underwriters in the aggregate principal amount presently estimated to be \$90,000,000 but not to exceed \$95,000,000, pursuant to the Act and in accordance with the Bond Purchase Agreement and the Indenture; provided that:

(a) The Series 2013 Bonds shall (i) be issued, executed and delivered at such time as the Chairman, Vice Chairman or Chief Executive Officer, 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 2013 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 2013 Bonds shall be issued solely for the purpose of providing funds to pay the financing and refinancing costs of the Series 2013 Project 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 construction, renovation, equipping and furnishing of the Series 2013 Project and which are incidental to the issuance of the Series 2013 Bonds.

(c) The Series 2013 Bonds and the interest thereon are not and shall never be a debt of the State of New York or Nassau County, New York, and neither the State of New York nor Nassau County, New York, shall be liable thereon.

(d) The Series 2013 Bonds, together with interest payable thereon, shall be special obligations of the Issuer payable solely from the revenues and receipts derived from the Borrower or Members of the Obligated Group or from the enforcement of the security provided by the Loan Agreement and the Master Trust Indenture.

(e) Notwithstanding any other provision of this resolution, the Issuer covenants that it will make no use of the proceeds of the Series 2013 Bonds or of any other funds which, if such use were reasonably expected on the date of issue of the Series 2013 Bonds, would cause the Series 2013 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

Section 6.

(a) The Chairman, Vice Chairman and Chief Executive Officer 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 Assignment of Note, the Tax Compliance Agreement, the Preliminary Official Statement, the Official Statement and the Series 2013 Bonds (hereinafter collectively called the "**Financing Documents**") and the Information Return, 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 2013 Bonds, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, Vice Chairman or Chief Executive Officer of the Issuer shall approve, including, without limitation, re-dating any of the Financing Documents to reflect the actual Closing Date. The execution thereof by the Chairman, Vice Chairman or Chief Executive Officer of the Issuer shall constitute conclusive evidence of such approval.

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

(c) The Chairman, Vice Chairman and Chief Executive Officer are each hereby authorized on behalf of the Issuer to deem the Preliminary Official Statement and the Official Statement final for purposes of Rule 15c-2-12 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 2013 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 2013 Bonds, the Series 2013 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 2013 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 2013 Bonds, which they may deem necessary or appropriate to obtain licenses or permits, or register, qualify or notice the Series 2013 Bonds for reoffering 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 2013 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 director,

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 directors, 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 2013 Bonds which they may deem necessary or appropriate to render the Series 2013 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. All covenants, stipulations, obligations and agreements of the Issuer contained in this Resolution and contained in the Financing Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Issuer to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Issuer and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Issuer or the directors thereof by the provisions of this Resolution and the Issuer Documents shall be exercised or performed by the Issuer or by such directors, members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation or agreement herein contained or contained in any of the Issuer Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any director, member, officer, agent or employee of the Issuer in his or her individual capacity, and neither the members or directors of the Issuer nor any officer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 10. This resolution shall take effect immediately and the Series 2013 Bonds are hereby ordered to be issued in accordance with this resolution.

