

Alfonso L. Carney, Jr., Chair: I want to welcome the members of the Board of the Atlantic Avenue Healthcare Property Holding Corporation to its last meeting for calendar year 2020. It is necessary that we have various matters read into the record because of the style of this meeting. Mike Cusack, General Counsel, will you do the honors?

Michael E. Cusack, Esq., General Counsel: Thank you, Mr. Chairman. For the record, and with your permission and in the interests of time, we will note the reading of the legal notice of conference call and video conference meeting that was just read from the DASNY Board meeting that just adjourned, conformed to the Atlantic Avenue Healthcare Property Holding Corporation, and the Roll Call and attendance previously noted by my colleague Kim Ellis, conformed to the Members, Staff and other attendees present.¹

Legal Notice of Conference Call and Video Conference Meeting

On March 7, 2020, Governor Cuomo declared a disaster emergency in the State of New York due to the outbreak of the novel coronavirus, or COVID-19. Pursuant to Governor Cuomo's subsequent Executive Order 202.1 dated March 12, 2020, as extended most recently by Executive Order 202.79, today's regular meeting of the Board of Directors of the Atlantic Avenue Healthcare Property Holding Corporation (a subsidiary of the Dormitory Authority of the State of New York referred to as "Atlantic Avenue"), is being conducted telephonically and by video conference.

Executive Order 202.1, as extended, provides in relevant part, that Article 7 of the Public Officers Law, known as the Open Meetings Law, is suspended through January 1, 2021 to the extent necessary to permit any public body to meet and take such actions authorized by the law without permitting in public in-person access to meetings, and authorizing such meetings to be held remotely by conference call or similar service, provided that the public has the ability to view or listen to such proceeding and that such meetings are recorded and later transcribed.

At the time of the Board mailing, Staff anticipated an extension of Executive Order 202.1 to encompass today's Board meeting. For the record, I'd like to confirm that Governor Cuomo signed Executive Order 202.79 on December 2, 2020, continuing the suspension of the Open Meetings Law for an additional 30-day period through and including January 1, 2021.

The location of today's Atlantic Avenue Healthcare Property Holding Corporation Conference Call and Video Conference Board Meeting is designated as the DASNY Headquarters, 515 Broadway, Albany, New York, where I am located. Notice of this meeting has been posted in the standard locations that are publicly accessible. Notice has also been posted prominently on the DASNY.org public website. In accordance with Executive Order 202.1 (as extended) and the Atlantic Avenue Healthcare Property Holding Corporation By-Laws, an audio and video recording of today's meeting will be accessible from DASNY's website (www.dasny.org) not later than two business days after the close of the meeting, and today's proceedings will also be transcribed and posted as soon thereafter as is reasonable and practicable under the circumstances.

¹ The individuals in attendance, as well as the statement regarding COVID-19, have been inserted below.

Attendance

Board Members:

Alfonso L. Carney, Jr., Esq., Chair – Present
John B. Johnson, Jr., Vice Chair – Present
Beryl L. Snyder, J.D., Secretary – Present
Jonathan H. Gardner, Esq., Board Member – Present
Wellington Z. Chen, Board Member – Present
Joan M. Sullivan, Board Member – Present
Gerard Ronski, Esq., Board Member – Present
Janice McKinnie, Board Member – Present
Brian Cechnicki, Designated Representative of the Interim Commissioner of Education, Board Member (*ex officio*) – Present
Adrian Swierczewski, Designated Representative of the Director of the Budget, Board Member (*ex officio*) – Present

Also present:

Phyllis Morris, State Education Department
Barry D. Lites, Esq., Law Offices of Barry D. Lites LLP

Staff present:

Reuben R. McDaniel, III, President and Chief Executive Officer
Paul G. Koopman, Vice President
Michael E. Cusack, Esq., General Counsel
Kimberly A. Ellis, Chief Financial Officer
Portia Lee, Managing Director, Public Finance and Portfolio Monitoring
Sara Potter Richards, Senior Director, Grants Administration
Deborah K. Fasser, Director, Strategic Communications and Business Development
Craig M Schreivogl, Director, Portfolio Monitoring
Ricardo Salaman, Esq., Managing General Counsel
Dena T. Amodio, Assistant General Counsel
Cheryl E. Sargent, Esq., Managing Assistant Counsel
Maria T. Carrasco, Public Finance Fellow

Chairman Carney: Thank you Michael. We will go straight to the agenda. It's a brief agenda and Michael, please walk us through.

Mr. Cusack: The first item on the agenda, Mr. Chairman, is the transcript of the September 9, 2020 Atlantic Avenue Healthcare Property Holding Corporation meeting. That is included in the Board package and will require a motion to approve from the Board Members.

Chairman Carney: Thanks, Mike. May I have a motion, please, to approve that transcript?

Wellington Z. Chen, Member: So moved.

Chairman Carney: Thank you, Wellington. Is there a second?

Joan M. Sullivan, Member: Second.

Chairman Carney: Thank you. Are there any objections to the approval of the transcript on the motion properly made and seconded? Hearing none, the transcript is approved unanimously. Michael.

Mr. Cusack: Thank you, Mr. Chairman. The second and final agenda item is the proposed Resolution to authorize Staff to take the necessary steps to proceed with the amendment to the Interfaith Lease Agreement that exists with the Atlantic Avenue subsidiary. I'll touch on a couple of points in the Resolution but defer the explanation overall to my colleagues who may want to comment. In the package is a memorandum from Reuben; it speaks for itself.

It is important to note that at our last meeting, in the minutes that were just adopted, Tracy Raleigh from the Department of Health did provide the Board with a preview of the merger that was then under consideration by the Department of Health. So for Members who recall that, it is in the minutes that we did just adopt. The Resolution itself, just briefly, provides Staff and an authorized officer and external counsel Barry Lites, who's on the call with us now, with the authority to take the steps necessary to amend the Interfaith Lease in the manner described in the materials. We've styled the Resolution itself to provide some stepping stones of how we as an authority got here today: starting in 2012 with the bankruptcy filing that was made by Interfaith Medical Center, covering the confirmation of that bankruptcy, which included authorization for us to proceed and take title to the property of the entire Interfaith campus, among other things. That resulted in a certain Lease Agreement which we refer to as the New IMC Lease.

Another relevant touchstone in the Resolution is the adoption by the Legislature and the Governor of the new grant program for \$700 million to transform healthcare. That grant program is at section 2825-a of the Public Health Law, and it came into effect on April 13, 2015. The New York State Department of Health efforts to conduct a feasibility study in conjunction with Northwell Health on recommendations for restructuring health care, that study and the associated steps are detailed in the Resolution leading up to today's request for authorization from the Board to proceed with the amendment of the Lease. With that, I'll turn it over to my colleagues at DASNY, thank you.

Reuben R. McDaniel, III, President: Thank you, Mike, that's very helpful. Mike did a great job in the resolution of getting us to where we are today.

Our role as the Atlantic Avenue Board is to hold various collateral packages to secure both restructuring loans, as well as a loan associated with a bond issue, which are outstanding for some of the underlying entities that will be merging. Craig Schreivogl and Cheryl Sarjeant of our team did a nice job of working with DOH, DOB and others to consolidate a collateral package and work with the One Brooklyn Health folks et al. to get to a term sheet that we're all in agreement with about how these documents will be structured. From our perspective, we are modifying the Lease,

then we'll ask the new consolidated entity to have both a \$10 a month lease payment, as well as a collateral package securing that lease payment that consolidates a lot of the collateral we had in multiple loans into a singular collateral package. From DASNY's perspective, going forward, we feel like we have even more security on a consolidated basis than we had on an individual basis as we help protect the State and its collateral position. We also think this will administratively simplify our lives, with one loan, one lease and one collateral package as opposed to multiples that we have to monitor. As an Atlantic Avenue Board, you should know that as long as these restructuring loans are outstanding, we will continue as a Board to hold this collateral package and if in the future there are decisions to be made around either restructuring lease payments, changing the collateral package or if they are asking us to approve things that would affect our collateral package, we may have to reconvene this Board for those matters. So this is not "the end of it" for us, but we certainly have consolidated and simplified it, and I think from all parties' perspectives – DOH, DOB and DASNY – as we protect the State's interests, we are very comfortable with where we are. We don't opine on the business operations of the consolidation; the Department of Health has worked hard on that and will monitor that as we move forward. What we are asking you today is to approve our ability as Staff to finalize the documents necessary. They're trying to close this transaction by the end of this calendar year. We want to make sure that we're not an inhibitor to that, so that's why we're bringing this to the Board now in this format. I feel like we are in really good shape. The team's done a great job of pulling things together and we want to present this to you for your approval.

Chairman Carney: Mr. President, thank you. Are there questions for Reuben, Cheryl or Craig about this transaction from any of the Board Members?

Hearing none, let me say first that the Resolution itself is very well done, and I want to congratulate everybody who worked on it. It's very explanatory, it does what it's supposed to do. It could have been probably six pages longer had the people who worked on it not been so careful, so thank you all very much for your attention to this Resolution. You've all had a chance to review it. Are there questions about the Resolution itself? Hearing none, may I have a motion, please, to approve it?

Mr. Chen: So moved.

Chairman Carney: Thank you, Wellington. Is there a second?

Beryl L. Snyder, Member: I second.

Chairman Carney: Beryl, thank you very much. We'll do this in the same manner as we have handled all the other votes for meetings the last few months. Are there objections to this Resolution as it is presented? Hearing none, the motion passes and the Resolution is approved.

RESOLUTION APPROVING THE ASSIGNMENT, ASSUMPTION AND AMENDMENT OF
LEASE OF REAL PROPERTY

Is there any other business?

President McDaniel: Just one topic. Barry Lites is our Counsel on this. He has worked with us on other things in the past. He's done a great job on helping us think through this and I just want to recognize Barry's good work on this transaction. So Barry, thank you for the good work you did on this, and the long nights you have between now and the end of the year to get to the closing, we appreciate that in advance.

Chairman Carney: Well, let me get into the record that Barry Lites is a dear friend of mine. I did not know that he was working on this transaction until, I think, last week. Barry, it's a pleasure to have you on this call and a pleasure to have you working on the transaction. I look forward to seeing you as soon as we can actually get together.

Barry D. Lites, Esq., The Law Offices of Barry D. Lites LLP: Thank you, Mr. Chairman. Looking forward to it.

Chairman Carney: Thank you, Barry.

Is there any other business to come before the Board of the Atlantic Avenue Healthcare Property Holding Corporation? Hearing none, may I have a motion, please, to adjourn the Board meeting?

Ms. Snyder: So moved.

Ms. Sullivan: I'll second.

Chairman Carney: Beryl, Joan, thank you very much. Again, the way we've done it in the past, without objection, the motion carries unanimously, the meeting is adjourned. Thank you all very much. The meeting stands adjourned.

President McDaniel: Thank you everyone. We appreciate your time today.

The Atlantic Avenue Healthcare Property Holding Corporation meeting adjourned at 11:47 a.m.

Respectfully submitted,



Sara P. Richards
Assistant Secretary