

MINUTES OF THE PUBLIC SESSION OF THE NASSAU HEALTH CARE CORPORATION BOARD OF DIRECTORS' MEETING HELD ON NOVEMBER 24, 2008

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Directors Present

Martin D. Payson, Chair  
Joseph Capobianco, Esq.  
Lawrence E. Elovich, Esq.  
Bradley L. Gerstman, Esq.  
Rosemarie Guercia, MD  
Jemma Marie-Hanson, RN  
George W. Miner, MD, MBA  
Frank J. Saracino, EdD

Non-Voting Directors Present

Arthur A. Gianelli, President/CEO

Hospital Administration

Gary E. Bie, SVP/CFO  
Reginald Bullock, Esq., SVP for Legal Affairs  
Paul J. Rowland, SVP/COO  
Steve Walerstein, MD, SVP/Medical Affairs  
Kathy Skarka, VP for Patient Care Services  
Joan A. Soffel, Assistant to the Board/CEO

Not Present

Leonard A. Benedict, MD, MPH  
John M. Brickman, Esq.  
Barbara Ross-Lee, DO  
Greg-Patric Martello, Esq.  
John F. Ragano, Esq.

1. Martin D. Payson, Chair, Board of Directors of the Nassau Health Care Corporation, noted the presence of a quorum and opened the meeting at 8:35 a.m.
2. **Adoption of Minutes**. Upon a motion made and duly seconded, the minutes of the October 27, 2008 Board of Directors meeting were unanimously approved.
3. **Report of the Chairman**. None.
4. **Report of the President/CEO**. Mr. Gianelli will report after the financials.
5. **Report of the Finance Committee**. Mr. Elovich reported that the Finance Committee met on November 20, 2008. He asked Mr. Bie to report on Finances and then discuss contracts that were reviewed (with discussion in Executive Session, if needed).

Mr. Bie reported that for the period ending 10/31/08, on \$45 million in revenue, the hospital lost \$1.1 million for the month of October. On \$448 million in revenue, the Corporation lost \$8.5 million for the 10-month period. The variable rate bonds continue to be an issue and Mr. Bie is working vigorously to resolve the issues. He noted that the interest rates have fluctuated from 5% to 9% and in early October the rates were down to 4-5%. The interest rates are hurting the bottom line with approximately \$500 thousand per month in interest expense. Mr. Bie plans on refunding the bonds because Dexia has been downgraded resulting in higher interest rates (he hopes to do this by January 31, 2008). He noted that the Corporation would be refunding not refinancing the bonds. Under refunding, the 2004 bonds would be replaced with 2009 bonds at a lower rate and a different liquidity facility. Tax counsel has given the approval to refund. The cash position was at its lowest point as of 10/31/08 (\$1.7 million or two days cash on hand). During November, the Corporation received the fourth advance from the County in the amount of \$7.5 million and a \$25 million IGT payment in the middle of the week, half of that can be used for operations and the other for restricted capital. The hospital is the biggest challenge. On \$36 million in revenue, the hospital lost \$1.8 million against a budgeted loss of \$1.2 million. Year-to-date, on \$355 million in revenue the hospital lost \$14.2 million. The Corporation was unable to achieve group price relief from the Health Department (\$4.4 million). Mr. Bie and staff are working on other appeals for inpatient psychiatry that could achieve a \$2-3.5 million adjustment going back to 1/1/07. He is additionally working on several years worth of DSH appeals for Medicaid eligible days worth approximately \$2 million.

Salary and fringe benefits are unfavorable to the budget for the month (\$16.2 million—up \$629 thousand). Nursing's budget is \$85 million and it fluctuates with census and vacancies that are presently replaced with overtime and agency staff. Administration is working on the nursing budget and overtime.

On \$6 million in revenue, A. Holly Patterson had a surplus of \$1.26 million (had a budgeted loss of \$21 thousand). A. Holly Patterson had favorable IGT revenue for 2006-2008 (\$9 million/year). A. Holly Patterson has a very good run rate for the last 12-18 months and the census is consistent.

The Community Health Centers continue to drive a \$240 thousand loss for the month on budgeted revenues of \$1.4 million. Administration is working on aligning staff and converting the centers to Federally Qualified Health Centers (possibly increasing revenue by \$1-2 million).

6. **Report of the Medical Professional Affairs Committee and Medical Director.** Dr. Miner reported that the Medical and Professional Affairs Committee (MPAC) met on November 10, 2008 but did not have a quorum. Credentialing will be discussed in Executive Session.

Dr. Walerstein reported that since the last meeting, the Information Technology Department implemented the Big Bang. This change allows for computerized order entry. The documentation is now done electronically and will improve patient safety and quality. The ultimate plan is to include the entire Corporation (A. Holly Patterson, Correctional Health and Community Health Centers).

Dr. Walerstein also announced that Dr. Nyapati Rao received a prestigious award from the American Psychiatric Association on a national level. Dr. Rao will be speaking in San Francisco in 2009.

Hofstra Medical School and North Shore/LIJ have begun working on plans for the medical school. Dr. Walerstein will invite Dr. Smith to present an overview to the Board sometime in the new year.

**A. Holly Patterson Extended Care Facility: 2007-2008 Annual Performance Improvement & Patient Safety Plan Evaluation.** Dr. Miner reported that the information was included in the Board packet last month.

**Upon a motion made, duly seconded and unanimously approved, the Board of Directors adopted the "A. Holly Patterson Extended Care Facility 2007-2008 Annual Performance Improvement & Patient Safety Plan Evaluation", in the form and content attached hereto. Resolution No. 155-2008.**

7. **Report of the Ambulatory Care Committee.** Dr. Guercia, chair, reported that the committee met on November 12, 2008 and were updated on the progress of the new facilities in Hempstead and Freeport/Roosevelt. The major topic of discussion was the proposed health center staff changes, eliminating RN's and replacing them with medical assistants. Dr. Guercia said that this would lead to a decrease in quality of care and the number of patients that physicians could see. The committee felt that the changes are too drastic and should be phased in over time to evaluate the results. The next meeting is scheduled for December 17, 2008.

Mr. Payson asked if anyone from the public would like to speak at this time, since some members of the public were from the communities in Freeport and Hempstead.

Maria Navarez, a patient and advisory board member, and several other women from those communities, questioned the need to eliminate nursing staff at the health centers. Mr. Gianelli said that he is proposing a number of changes at the health centers. One of the changes is in staffing. A federally qualified health center in Queens that has 40,000 patient visits a year work with two RNs. NUMC health centers have 80,000 patient visits a year and work with 24 RNs; operations cannot afford that luxury in these economically challenging times. Mr. Gianelli must find ways to provide quality health care and right size those centers. The health centers spend \$17 million a year and

lose \$9 million (without subsidies). Mr. Gianelli said that business at the nursing home is doing well; business at the hospital and health centers is not. The effort is not just in right sizing staff. The Corporation will be opening new facilities in Hempstead and Roosevelt that has been discussed by advocates for over two decades. The Corporation will be rolling out NUCARE for management of patient care. NUMC does not presently have a structure for the management of patient care for the uninsured. The Corporation will be introducing Healthy Kids First to make sure that everyone is insured. Over 20% of the children coming into outpatient services are uninsured and Mr. Gianelli believes that number should be zero and health care should be optimized for those children. Historically, there has been no emphasis on managing the quality of care provided to patients in an ambulatory setting. Patients are admitted to hospitals at twice the State average for conditions that could have been managed. The patients must also receive a broader type of service including specialty care at the health centers, such as, orthopedics, physical medicine and rehabilitation, among others. Mr. Gianelli also noted that NHCC has an Institute for Health Care Disparities, NuCare, will be installing a new registration system, providing subspecialties and geriatric care among many other things. Government finances are and will be restricted in this economy. Mr. Gianelli invited those who had questions to leave their names and numbers and to feel free to call him with any other questions.

Mr. Payson said that the changes are tremendous and people are concerned. Mr. Payson along with the Board support the CEO who has done a superior job in improving the care provided at all levels. The Board is committed to making the community health centers a centerpiece and they will monitor the changes being proposed. He noted that Dr. Guercia is dedicated to the centers. If the changes do not succeed in providing better care, adjustments will be made. He noted that the Corporation invested \$6.8 million in the new Freeport health center and would not do anything to defeat that investment.

Mr. Saracino said the Board, although concerned about finances, are more concerned with the quality of care.

**Report of the Extended Care Committee.** Mr. Saracino, chair, reported that the committee met last month. The committee is pleased with the fact that A. Holly Patterson is moving forward and providing a surplus in conjunction with improving the ambiance and creating a nice environment for the residents at A. Holly Patterson.

**Report of the Facilities Committee.** Mr. Gertsman, chair, reported that the committee met last week. A project labor agreement (PLA) was presented by Neil Heymann describing the feasibility results in terms of working with the various labor unions and the construction activities. Gilbane has been authorized to continue negotiations with the labor unions on our behalf. Unfortunately, the parking garage is in poor condition and upkeep is very costly. A number of solutions were discussed. It was decided to close the garage and provide replacement parking on the NHCC campus by early 2009. The capital expenditure for the ED/Radiology/CPEP is being reduced from \$55 million to \$35 million, but will still provide a much improved facility when completed. An amendment for the CON for the Roosevelt/Freeport project has been reviewed by the Department of Health and NHCC is awaiting approval. The committee also discussed life safety issues and regular tours are conducted throughout the hospital to review conditions and resolve problems.

**Report of the Legal and Audit Committee.** Mr. Brickman, chair, will report at the next meeting.

8. **Other.** Mr. Gianelli said that NHCC is endeavoring to change a variety of things, operating health centers, relationships with community physicians, physical structures, information technology, GME, relationships with North Shore/LIJ, etc. While endeavoring to make all of these strategic changes, there are unprecedented financial challenges. The State of New York is facing a budget deficit of \$14 billion and leadership has made it clear that Medicaid and Education are on the table for cuts. If the State proceeds with across the board cuts, facilities such as NHCC will have to dramatically change what they do. NHCC has to prove that it is a worthwhile investment that provides excellent

care for a unique population in a way that no one else is doing it. Mr. Gianelli met with staff and indicated that change needs to be made. Some of those changes include the creation of a separate faculty practice plan for increased incentive (changing the present compensation pattern that is no longer viable), pulling out of the New York State health insurance plan and providing the same level of benefits with reduced expense, encouraging employees to utilize NUMC and to support the facility, reduce the scope of the capital projects (such as ED and the parking garage), review the largest contracts and try to reduce those expenses. Mr. Gianelli will simultaneously make his arguments to the State that they must help this institution. These are uncharted waters and significant decisions must be made without the luxury of time. Mr. Gianelli has reached out to the Union to reopen the 2009 collective bargaining agreement and was unsuccessful. By the end of December/January an RFP will be issued for the disposition of 85 acres of land in East Meadow and Uniondale. A health care village is planned, including senior housing and assisted living. The vision is for a destination point where people can come to receive all of their care. Regarding NuCare and Ambulatory services, quality measures are being developed and NUMC is structuring in a way that would allow it to manage the care of the people we see. By the beginning of next year, there will be a new facility at 135 Main Street in Hempstead and construction will commence to build out 380 Nassau Road in Freeport.

Assignment and Assumption Agreement - 380 Nassau Road. Mr. Gianelli reported that the Town of Hempstead had a contractual relationship with a developer for the build out of 380 Nassau Road. The Town is interested in assigning that agreement to NHCC, and allowing NHCC to acquire the property. The purchase is in lieu of renting, and is a symbol to the community of what NHCC is trying to do in providing health care to the community. Mr. Elovich noted that the Finance Committee recommended approval of this agreement. **Upon a motion made, seconded and unanimously approved, the Board of Directors adopted the resolution authorizing the President and CEO to enter into an assignment and assumption agreement with Stoneridge Organization, Inc. and to purchase property located at 380 Nassau Road, Roosevelt, New York, identified on the Nassau County Land and Tax Map as Section 55, Block 435, Lots 1018 through 1023, inclusive, from the Town of Hempstead, all as set forth in the attached resolution. Resolution No. 156-2008.**

Procurement Authority. Mr. Bullock reported that the amendment to the procurement policy was included in the Board packet. The amendments enable NHCC to purchase certain goods and services that the physicians are more familiar with. In the past, NHCC has purchased surgical equipment based on our analysis and best interest at the lowest cost. In some cases that does not serve us well. There are certain products that certain physicians are accustomed to and eliminates the need for retraining. **Upon a motion made, seconded and unanimously approved, the Board of Directors adopted the amendments made to the Procurement Authority, all as set forth in the attached resolution. Resolution No. 157-2008.**

9. Close of Regular Meeting. Martin D. Payson, Chair, closed the meeting and opened the floor for public comment.

Ms. Pauline Washington inquired about an agenda item referring to the acquisition of Southocean Care. Mr. Bullock said that this was presented to the Board in the past and approved, but is still in the process of being acquired. Mr. Gianelli said that it is a stand-alone diagnostic treatment center in Freeport. The investment ultimately must be approved by the Department of Health. It is NHCC's intent to have a strategic relationship with the DTC, moving certain subspecialties out into the health center.

10. Report from Executive Session. Upon return to Public Session, the Board reported that the following actions were taken:

**Credentialing.** Upon a motion made, duly seconded and unanimously approved, the Board of Directors adopted the Appointments to the Medical Staff dated November 10, 2008, as attached to these minutes. **Resolution No. 158-2008.**

**Master Resolution.** Upon a motion made, duly seconded and unanimously approved, the Board of Directors adopted the Resolution Approving Finance Committee Recommendations at a meeting on November 20, 2008, all as set forth in the attached. **Master Resolution M-159-008.**

11. Adjournment.

Upon a motion, duly made and unanimously approved, the meeting was adjourned at 10:00 a.m. to Executive Session to discuss governance, performance improvement, collective bargaining, personnel matters, contract negotiations and litigation.

The next regularly scheduled meeting is December 22, 2008 in the Auditorium.

Approved:



Martin D. Payson, Chair  
Board of Directors  
Nassau Health Care Corporation

NASSAU HEALTH CARE CORPORATION  
BOARD OF DIRECTORS

RESOLUTION APPROVING FINANCE COMMITTEE RECOMMENDATIONS

Resolution No. M-159-2008

November 24, 2008

WHEREAS, by Resolution (No. 023-2007) of the Board of Directors of the Nassau Health Care Corporation, the Board of Directors delegated to its Finance Committee the responsibility for, among other things, overseeing and making recommendations to the Board regarding the Corporation's procurement and contracting policies; and

WHEREAS, there is attached to this Resolution a schedule dated November 20, 2008 (the "Schedule") of resolutions regarding transactions and/or procurement and contracting policies, which require action by the Board and which the Committee has reviewed, discussed and recommends be adopted;

NOW, THEREFORE,

BE IT RESOLVED, that the Board of Directors of the Nassau Health Care Corporation hereby approves and adopts the resolutions recommended by its Finance Committee as set forth in the attached Schedule, with no exceptions.

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**NASSAU HEALTH CARE CORPORATION**  
**FINANCE COMMITTEE**  
November 20, 2008  
**CONTRACTS EXHIBIT**

Motions and Resolutions Requiring Action by the Board of Directors

\*Richard Ptachcinski, d/b/a American Pharmacotherapy. [Multi-year contract, extension of current contract] **Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of an extension of a current contract, in the best interests of NHCC, with Richard Ptachcinski, d/b/a American Pharmacotherapy to provide pharmacy management and monitor contract compliance for CPS pharmacy management services agreement in an amount not to exceed \$35,000/year for the period 11/01/08-10/31/09. Resolution No. 148-2008.**

\*University of Wisconsin. [Multi-year contract]. **Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with University of Wisconsin to provide QI support services mandated by Joint Commission to create data quality indicators in an amount not to exceed \$750.00/year—total for five years \$3,750.00 for the period 01/01/09-12/31/14. Resolution No. 149-2008.**

\*Long Island Minority Aids Coalition. [Multi-year contract, extension of current contract, NYSDOH grant funds to be used by 12/31/08]. **Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of an extension of a contract with Long Island Minority Aids Coalition to provide a study of diversity, update curriculum and plan for center events with respect to staff development in an amount not to exceed \$3,500 (current contract \$14,600 for a total of \$18,100) for the period 09/01/08-12/31/08. Resolution No. 150-2008.**

\*St. John's Strategies, Inc. [Multi-year contract, extension of current contract, NYSDOH, grant funds to be used by 12/31/08]. **Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of an extension of a contract with St. John's Strategies, Inc. to provide a study of diversity, update curriculum and plan for center events with respect to staff development. Collaborative partner with Long Island Minority Aids Coalition in an amount not to exceed \$3,500 (current contract \$7,000 for a total of \$10,500) for the period 09/01/08-12/31/08. Resolution No. 151-2008.**

\*Honey Advertising. [Multi-year contract, extension of a current contract]. **Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of an extension of a contract with Honey Advertising to provide marketing campaign for Family Planning Services, creating brochures in**

English, Spanish and Creole, media advertising campaign and creating means for measuring the impact of outreach efforts in targeted communities relating to Family Planning services in an additional amount of \$51,000 (\$46,000 for contract and \$5,000 for reimbursables) for the period not to exceed 10/01/08-12/31/09.

**Resolution No. 152-2008** .

\*380 Nassau Road, Roosevelt, New York. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of the Resolution of Nassau Health Care Corporation Authorizing the President and CEO to Enter into an Assignment and Assumption Agreement with Stoneridge Organization, Inc. and to purchase property located at 380 Nassau Road, Roosevelt, New York, Identified on the Nassau County Land and Tax Map as Section 55, Block 435, Lots 1018 through 1023, Inclusive, from the Town of Hempstead in an amount not to exceed \$3,800,000 for Stoneridge Organization for Assignment and \$200,000 to purchase from the Town of Hempstead (\$4,000,000). **Resolution No. 153-2008** .

\*Cashin Technical. [Multi-year contract, contract extension, total in excess of \$250,000]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of an extension of a contract with Cashin Technical to provide implementation of their findings based on their knowledge derived from their analysis/report which included a contact center, departmental staff redeployment and recommendations on how to reduce departmental clerical staff in an additional amount of \$136,000 (current contract \$184,625 for a total of \$320,625) for the period of extended term to expire on 11/30/09. **Resolution No. 154-2008**

Informational:

QI DataSphere. Enables users to identify factors that influence facility performance with high degree of specificity, QI interfaces with QI Project's CMC application (Maryland Hospital Association, Inc. QUP is NHCC's Core Measures Vendor) in an amount not to exceed \$2,950 for the period 01/01/09-12/31/09.

HANYS Keystates. Enables hospitals to run their own facility-specific patient data through the AHRQ software. It calculates rates for all quality indicators, and individual cases can be identified and investigated in an amount not to exceed \$4,000 on time fee.

Amendment to Procurement Policy. Additional guidelines for purchasing department in connection with goods and services needed for operating room/surgical procedures – to be presented to the Full Board of Directors.

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\*Requires approval of the Board of Directors

\*\*Standardization requires 3/5 (9 votes in favor) approval of Board of Directors.



PROCUREMENT AUTHORITY

WHEREAS, the procurement guidelines of NHCC, as adopted by the Board of Directors, provide that certain contracts for goods and services be let through a competitive process (sealed bids, requests for proposals, formal and informal quotes);

WHEREAS, the Purchasing Department processes all hospital requisitions, delivery orders and purchase orders for Nassau University Medical Center, in general, and specifically, for all operating room and surgical procedure needs for the hospital ("OR Needs");

WHEREAS, NHCC has determined that the Purchasing Department is unable at times to satisfy certain OR Needs in a timely, cost-effective and efficient manner as a result of the requirement to select vendors on a competitive basis;

WHEREAS, NHCC has further determined that such inability has impacted the scheduling of surgical procedures and the competitiveness of NHCC in providing services in these areas;

WHEREAS, in order to effectively satisfy certain of the OR Needs of NHCC in a timely, cost-effective and efficient manner, NHCC desires to give the Purchasing Department the authority to purchase certain operating room and surgical products (a) on a single source basis and (b, directly on the open market, in cases where vendors do not respond to the competitive process ("non-responsive procurement");

WHEREAS, the single source procurement is supported by Section 163 (h) of the NYS Finance Law and Opinion No. 81-267 of the Office of the State Comptroller offers guidance on non-responsive procurement; and

WHEREAS, the Board of Directors of NHCC has approved giving the Purchasing Department the ability to purchase goods or services that fit the criteria established below for (a) single source procurement of OR Needs or (b) non-responsive procurement as being in the best interests of the Corporation.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby accepts and approves the recommendation of its Finance Committee, and hereby finds it to be in the best interests of NHCC to provide certain operating room and surgical products from time to time, in the manner set forth below, thereby assuring, among other things, the prudent and economical use of NHCC resources and the timely, cost-effective and efficient satisfaction of the OR Needs of NHCC in the best interests of the public and NHCC, namely:

That NHCC, by its Chief Executive Officer, or authorized designee, is authorized to enter into procurement contracts to acquire certain operating room and surgical products for terms not to exceed five years without necessity of letting such contracts

through NHCC competitive processes, provided that the OR Needs fall into one or more of the following categories and fulfill the criteria specified under the applicable category:

- I. Single Source: "Single Source" means procurement in which although two or more offerers can supply the required commodities or services, NHCC, upon written findings setting forth the material and substantial reasons therefor, may award a contract to one vendor or another. The Purchasing Department shall document in the procurement record the circumstances leading to the selection of the vendor, including alternatives considered, the rationale for selecting the specific vendor and basis upon which it determined the cost as reasonable. In the case of physician-preference products, the NHCC value analysis team ("VAT") shall document whether or not: (a) the product requires special surgical skill or specific training for its use; (b) the physician would require special or additional training to use an alternate product; (c) the physician has a substantial history of using the product in question; (d) the physician has used an alternative product or has comparative experience with alternate products; and (e) there are any other special (medical, technical or safety) factors that dictate the use of the product in question as opposed to an alternate product. The VAT must also document (by written certification from the physician, among other means) that the requesting physician does not have a financial interest in the manufacturer or provider of the product. (The term "financial interest" shall include, but not be limited to, the following transactions or relationships between a physician and a manufacturer or provider of the product: (a) consulting fees, honoraria, gifts or other emoluments, or "in kind" compensation; (b) equity interests, including stock options, of any amount (or entitlement to the same); (c) royalty income (or other income) or the right to receive future royalties (or other income); (d) any non-royalty payments or entitlements to payments; or (e) service as an officer, director, or in any other role, whether or not remuneration is received for such service.) The VAT shall submit all of the above documentation to the Purchasing Department for insertion into the procurement record along with the properly approved requisitions.
  
- II. Non-Responsive Procurement: The Purchasing Department, upon receipt of properly approved requisitions, is authorized to purchase certain operating room and surgical products or services without submitting the same to competitive bidding based on the documented fact that (a) existing vendors of such products or services have not in the past participated in the competitive- selection process or otherwise responded to NHCC procurement terms and conditions or (b) existing vendors of such products or services have presently demonstrated an unwillingness to participate in the competitive selection process or otherwise respond to NHCC procurement terms and conditions.

**RESOLUTION OF NASSAU HEALTH CARE CORPORATION AUTHORIZING  
THE PRESIDENT AND CEO TO ENTER INTO AN ASSIGNMENT AND  
ASSUMPTION AGREEMENT WITH STONERIDGE ORGANIZATION, INC.  
AND TO PURCHASE PROPERTY LOCATED AT 380 NASSAU ROAD,  
ROOSEVELT, NEW YORK, IDENTIFIED ON THE NASSAU COUNTY LAND  
AND TAX MAP AS SECTION 55, BLOCK 435, LOTS 1018 THROUGH 1023,  
INCLUSIVE, FROM THE TOWN OF HEMPSTEAD**

WHEREAS, the Nassau Health Care Corporation ("NHCC") currently operates its Freeport-Roosevelt Community Health Center at 460 Main Street, Freeport, New York (the "Health Center"); and

WHEREAS, it had been determined that premises and improvements that currently house the Health Center are in extreme disrepair and unbecoming for housing a Community Health Center, and it is in the best interests of NHCC to relocate to a new facility; and

WHEREAS, on November 16, 2004, Stoneridge Organization, Inc. ("Stoneridge") and the Town of Hempstead ("Town") entered into a Contract for the Sale and Redevelopment of Land (the "Purchase Contract") whereby Stoneridge would purchase a certain parcel of land, located on 380 Nassau Road, Roosevelt, New York, identified on the Nassau County Land and Tax Map as Section 55, Block 435, Lots 1018 through 1023, inclusive (the "Property"), for the purposes of constructing an approximately 24,000 square foot commercial building (the "Building") and other infrastructure improvements (the "Other Improvements") in furtherance of the Town's efforts to economically revitalize the Roosevelt community, such Purchase Contract attached hereto as Exhibit "A"; and

WHEREAS, Stoneridge has constructed a shell Building and Other Improvements, and a Certificate of Occupancy for the Building is ready to be issued from the Town Building Department; and

WHEREAS, NHCC had previously determined that the Property was ideally located and the Building ideally suitable to house a new Health Center with expanded services, NHCC's Institute for Healthcare Disparities and the Nassau County Women's Infants and Children's program; and

WHEREAS, on or about September 9, 2007, NHCC entered into a lease agreement with Stoneridge whereby NHCC would lease the Property, Building and Other Improvements from Stoneridge to house a new Health Center, Institute for Healthcare Disparities and the Women, Infants and Children's Program, such lease contingent upon Stoneridge closing on the Purchase Contract with the Town; and

WHEREAS, Stoneridge is unable to close on the Purchase Contract; and

WHEREAS, NHCC continues to believe that the Property is ideally located and the Building ideally suitable to house a new Health Center with expanded services, NHCC's Institute for Healthcare Disparities and the Nassau County Women's Infants and Children's program, and as such, is desirous to purchase the Property and Building; and

WHEREAS, the Purchase Contract allows Stoneridge to assign the Purchase Contract upon approval of the Town Board; and

WHEREAS, the Town has indicated a willingness to approve an assignment of the Purchase Contract, and is scheduled a vote to allow for such assignment at its upcoming December 9, 2008 Board meeting; and

WHEREAS, an Appraisal Report, dated October 24, 2007, requested by the Bank of New York and prepared by Montalbano and Associates, a Real Estate Valuation service located in Huntington, New York, valued the Property, Building and Other Improvements at **FIVE MILLION THREE HUNDRED THOUSAND AND 00/100 (\$5,300,000.00) DOLLARS**; and

WHEREAS, an Appraisal Report, dated May 20, 2008, requested by NHCC and prepared by Standard Valuation Services, a Real Estate Valuation service located in Mineola, New York, valued the Property, Building and Other Improvements upon the Property at **THREE MILLION FIVE HUNDRED THOUSAND AND 00/100 (\$3,500,000.00) DOLLARS**; and

WHEREAS, pursuant to the Purchase Contract, Stoneridge is to pay the Town **TWO HUNDRED THOUSAND AND 00/100 (\$200,000.00) DOLLARS** upon closing; and

WHEREAS, it has been determined by the NHCC President and CEO that **FOUR MILLION AND 00/100 (\$4,000,000.00) DOLLARS** is a fair and reasonable purchase price for the Property, Building and Other Improvements upon the Property;

NOW, THEREFORE, BE IT RESOLVED, that the NHCC President and CEO is authorized to enter into the Assignment and Assumption Agreement with Stoneridge in the amount of **THREE MILLION EIGHT HUNDRED THOUSAND AND 00/100 (\$3,800,000.00) DOLLARS**, such Assignment and Assumption Agreement to be in substantially the same form as attached as Exhibit "B" hereto; and

BE IT RESOLVED, that the President and CEO is authorized to close on the Purchase Contract with the Town for **TWO HUNDRED THOUSAND AND 00/100 (\$200,000.00) DOLLARS**.