

Notice of Public Hearing

MASSACHUSETTS DEVELOPMENT FINANCE AGENCY

Notice is hereby given that a public hearing will be conducted by the Massachusetts Development Finance Agency (“MassDevelopment”) at 1:00 p.m. on Tuesday, June 11, 2019, at 99 High Street, 11th Floor, Boston, Massachusetts. The purpose of the hearing will be to consider the proposal of Beth Israel Lahey Health, Inc. (with its affiliates, the “Institution”) that MassDevelopment approve the financing and refinancing of a project (the “Project”) owned and operated by the Institution and generally consisting of the facilities and assets at the locations all in Massachusetts as set forth below.

1. The refinanced components of the Project consist of the following:

A. The refinancing of all or a portion of the outstanding MassDevelopment Revenue Bonds, Anna Jaques Hospital Issue, Series 2010 (the “Anna Jaques Series 2010 Bonds”), which (1) financed the construction, renovation and improvements for projects located at Anna Jaques Hospital (“AJH”), 25 Highland Avenue, Newburyport, consisting of (a) the construction of a new, approximately 12,300 square-foot general services building; (b) the renovation and expansion of an inpatient unit, including the construction of an approximately 2,700 square-foot addition to the existing structure; (c) the renovation of the outpatient entrance, including the construction of an approximately 760 square-foot addition to the existing structure; (d) the renovation of the ambulatory surgery suite; (e) other renovations and improvements to the existing infrastructure, facilities and property of AJH and 24 Morrill Place, Amesbury (“Morrill Place”); and (f) the acquisition and installation of certain capital equipment located at AJH and Morrill Place; (2) the refinancing of the Massachusetts Health and Educational Facilities Authority (“MassHEFA”) Revenue Bonds, Anna Jaques Hospital Issue, Series C (2006), that financed the following projects located at AJH, consisting of (a) a technology and computer system upgrade; (b) the renovation, repair, improvement and expansion of emergency care facilities; (c) other renovations and improvements to AJH’s existing infrastructure, facilities and property; and (d) the acquisition of certain capital equipment; and (3) the refinancing of a taxable loan for projects originally financed by MassHEFA Revenue Bonds, Anna Jaques Hospital Issue, Series B, for the following projects located at AJH, consisting of (a) the renovation of operating rooms and construction of four surgical suites, creation of a same day surgery staging area, expanded post-anesthesia care unit and recovery areas and related patient registration and access area; (b) the replacement, repair and renovation of chillers, roof and other mechanical deficiencies of the physical plant; (c) the repaving and regrading of the facility parking lot, including exterior signage and landscaping; (d) the relocation and renovation of the Medical Records Department; (e) renovations in the outpatient and diagnostic testing areas of AJH, including reconfiguration of the emergency department and fast-track service area; (f) the purchase of capital equipment to outfit the surgical suite; and (g) the renovation and upgrade of the Physical Therapy and Clinic areas and securing the Psychiatry Unit in the North Wing; (h) the renovation and upgrade of two Radiology and Fluoroscopy suites; (i) the upgrade of the AJH-wide information system; (j) the acquisition of other capital equipment and the renovation of other care and diagnostic areas and support services of AJH; (k) the refinancing of existing

projects originally financed by the MassHEFA Revenue Bonds, Anna Jaques Hospital Issue, Series A, including (i) the construction of a 20,000 gross square feet addition to the main hospital to house a medical-surgical unit; (ii) the construction of a 7,620 gross square feet, two-story (plus basement) building to house occupational therapy, dining, medical records, housekeeping and storage facilities; (iii) the renovation of 20,000 gross square feet of existing AJH facilities to house a mental health unit, a new cafeteria and dietary department, administrative space and a cardiac laboratory; (iv) the construction of parking facilities; (v) the purchase of various hospital equipment; and (vi) the refinancing of a mortgage note and an unsecured demand note, the proceeds of which were used for the construction of a portion of the main hospital; and (l) the refinancing of AJH projects originally financed by a Master Lease and Sublease Agreement that included the acquisition of certain fixed and moveable personal property and a fire alarm system. The proposal of the Institution relating to the refinancing of the foregoing Project components also includes a proposal for financing the payment of certain swap termination fees in connection with the Anna Jaques Series 2010 Bonds. The maximum amount of proceeds of the revenue bonds referenced below that are expected to be allocated to the refinancing of such Project components (all of which are used by the Institution or an affiliate in an integrated operation) and for such other purpose is \$21,015,000.

B. The refinancing of all or a portion of the outstanding MassDevelopment Revenue Bonds, Lahey Health System Obligated Group Issue, Series F (2015), which (1) financed the acquisition of land, site development, construction or alteration of buildings or the acquisition or installation of furnishings and equipment, or any combination of the foregoing in connection with the following projects: (a) an EpicCare Inpatient Clinical System and an EpicCare Ambulatory Electronic Medical Records System on the main campus of Winchester Hospital located at 41 Highland Avenue, in Winchester (the “Winchester Main Campus”), (b) building improvements at existing facilities located at 29 Mall Road (“29 Mall Road”), 31 Mall Road (“31 Mall Road”) and 41 Mall Road (“41 Mall Road”), in Burlington (collectively, the “Lahey Main Campus”), and Lahey Health Medical Center Peabody at One Essex Center Drive, Peabody (“Essex Center Drive”), (c) fixed equipment located at 41 Mall Road, Burlington, and (d) routine capital expenditures at existing facilities located at the Lahey Main Campus and One Kimball Road, Burlington (“One Kimball Road”); (2) refinanced MassHEFA Revenue Bonds, Lahey Clinic Medical Center Issue, Series C (2005), which financed and refinanced MassHEFA Revenue Bonds, Lahey Clinic Medical Center Issue, Series B, which financed or refinanced (a) the following projects located at 31 Mall Road, 41 Mall Road and One Kimball Road: (i) the acquisition, construction and equipping of a 200-bed hospital and ambulatory care center, (ii) the acquisition of an existing building, (iii) the construction of a new facility to house 72 new beds and related support facilities, (iv) the construction of a facility to house administrative, support services and clinical areas, including 40 new physician offices, (v) the acquisition of additional medical equipment and furnishings, and (vi) the refinancing of medical equipment; (b) various construction and renovation projects and capital equipment acquisitions at 41 Mall Road, 29 Mall Road, 31 Mall Road and One Kimball Road; and (c) financed the construction and equipping of an approximately 398,440 gross square foot parking garage designed to include approximately 1,165 parking spaces on four levels located at 41 Mall Road; and (3) refinanced MassHEFA Revenue Bonds, Lahey Clinic Medical Center Issue, Series D (2007), which financed (a) the construction, furnishing and equipping of an approximately

64,000 square foot, three-story ambulatory care center addition to North Shore facilities at Essex Center Drive to house physician offices and diagnostic, treatment and ancillary services, and the renovation, furnishing and equipping of the existing facilities at such location; and (b) various construction and renovation projects and capital equipment and furniture acquisitions for existing facilities located at 29 Mall Road, 31 Mall Road, 41 Mall Road, and One Kimball Road. The maximum amount of proceeds of the revenue bonds referenced below that are expected to be allocated to the refinancing of such Project components is \$31,250,000 of which not more than \$17,250,000 is expected to be allocated to the refinancing of Project components at the Winchester Main Campus and not more than \$14,000,000 is expected to be allocated to the refinancing of Project components at the Lahey Main Campus, Essex Center Drive, and One Kimball Road (all of which are used by the Institution or an affiliate in an integrated operation).

C. The refinancing of all or a portion of the outstanding MassHEFA Revenue Bonds, Northeast Hospital Corporation, Series G (2004) (the “Northeast Series G Bonds”), which (1) financed the acquisition of land, site development, construction or alteration of buildings or the acquisition or installation of furniture, fixtures and equipment, or any combination of the foregoing in connection with the following projects: (a) the construction of two new operating rooms and a day surgery suite to be attached to an existing building; (b) the renovation of the emergency department and its expansion; (c) the expansion of the radiology department; (d) the construction of a new building shell for future outpatient clinical space; (e) the renovation and construction of the lobby, interior corridors and elevators; (f) parking and site improvements, including the construction of a new, 400-space parking garage; (g) various infrastructure improvements; (h) the renovation of public waiting areas; (i) ventilation upgrades, asbestos abatement and nursing unit upgrades in the Johnson Building; (j) mechanical, ventilation and other infrastructure upgrades to the special care nursery, endoscopy and other third-floor facilities; and (k) the furnishing and equipping of the aforementioned projects, all of which projects are located at the Northeast Hospital Corporation (“NHC”) main campus located at 85 Herrick Street, Beverly (“Beverly Hospital”); and (2) refinanced projects financed and refinanced by the proceeds of MassHEFA Revenue Bonds, Addison Gilbert Hospital Issue, Series C, which consisted of: (a) the construction of a two-story addition over the two-story Steele Building located at the Addison Gilbert Hospital campus located at 298 Washington Street, Gloucester (the “Addison Hospital Campus”); (b) the relocation of surgical services and central sterile supply to the new third floor of the Steele Building and the renovation of the former surgical suite and adjacent ground-floor area for rehabilitation services, emergency services, and radiology departments; (c) the construction of a vault housing mechanical system and telephone switching equipment on the ground floor attached to the North Building at the Addison Hospital Campus and the upgrade of Addison Hospital's electrical, heating and ventilating system; (d) improvements of the access to and egress from the Addison Hospital Campus and the reconfiguration of the parking lot in the rear of Addison Hospital Campus to improve traffic flow and increase available parking; (e) the acquisition of various capital equipment and renovations to portions of Addison Hospital's facilities; (f) the projects financed by the MassHEFA Revenue Bonds, Addison Gilbert Hospital Issue, Series A, the proceeds of which were used for the renovation of the Addison Hospital's existing facilities, new construction and the refinancing of the construction of the Steele Wing of the main hospital complex at Addison Hospital Campus; and (g) the projects

financed by a loan from the MassHEFA Revenue Bonds, Capital Asset Program, Series B, the proceeds of which were used for the acquisition of various capital equipment and renovations to portions of the Addison Hospital Campus. The proposal of the Institution relating to the refinancing of the foregoing Project components also includes a proposal for financing the payment of certain swap termination fees in connection with the Northeast Series G Bonds. The maximum amount of proceeds of the revenue bonds referenced below that are expected to be allocated to the refinancing of such Project components and for such other purpose is \$48,300,000, of which not more than \$9,882,180 is expected to be allocated to the refinancing of Project components at the Addison Hospital Campus and not more than \$38,417,820 is expected to be allocated to the refinancing of Project components at Beverly Hospital.

D. The refinancing of all or a portion of the outstanding MassHEFA Variable Rate Demand Revenue Bonds, Northeast Hospital Corporation Issue, Series H (2006) (the “Northeast Series H Bonds”), which financed the acquisition of land, site development, construction or alteration of buildings or the acquisition or installation of furniture, fixtures and equipment, or any combination of the foregoing in connection with: (1) the construction, furnishing and equipping of a new approximately 99,000 square-foot outpatient health care facility on the site of the former Danvers State Hospital located at 480 Maple Street (a/k/a Lot 7A Danvers State Hospital), Danvers, and (2) the acquisition and installation of capital equipment and construction of improvements and renovations to existing facilities of NHC and other routine capital expenditures included in NHC’s capital budget for use in connection with NHC’s hospital operation at its main campus at Beverly Hospital. The proposal of the Institution relating to the refinancing of the foregoing Project components also includes a proposal for financing the payment of certain swap termination fees in connection with the Northeast Series H Bonds. The maximum amount of proceeds of the revenue bonds referenced below that are expected to be allocated to the refinancing of such Project components (all of which are used by the Institution or an affiliate in an integrated operation) and for such other purpose is \$30,000,000.

E. The refinancing of all or a portion of the outstanding MassDevelopment Revenue Bonds, Northeast Hospital Corporation Issue, Series J (2012), which financed and refinanced projects financed and refinanced by MassHEFA Revenue Bonds, Beverly Hospital Issue, Series F-2 (Short Term Auction Rate Securities) and MassHEFA Revenue Bonds, Beverly Hospital Issue, Series F-3 (Complementary Auction Rate Securities), which refinanced MassHEFA Revenue Bonds, Beverly Hospital Issue, Series D, Lot 2, which projects are located on the Beverly Hospital campus at Herrick and Heather Streets and at 75 Lindallp Street, Beverly (collectively, the “Beverly Hospital Campus”), and include: (1) the expansion and renovation of the Johnson Building; (2) the renovations to the Obstetrics and Gynecology Department at the Beverly Hospital Campus; (3) the replacement of the Management Information System; and (4) the acquisition and installation of capital equipment and the construction of improvements and renovations to the existing facilities at the Beverly Hospital Campus. The maximum amount of proceeds of the revenue bonds referenced below that are expected to be allocated to the refinancing of such Project components (all of which are used by the Institution or an affiliate in an integrated operation) is \$450,000.

F. The refinancing of a loan from MassHEFA Revenue Bonds, Capital Asset Program Issue, Series M-2, that financed and refinanced the following projects at the Beverly Hospital Campus: (1) endoscopy renovation; (2) the elimination of four bedrooms on the 4th floor of Beverly Hospital; (3) the expansion of the Special Care Nursery and Shell for maternity beds; (4) the expansion of surgical and post-anesthesia care unit facilities; and (5) other routine renovations and capital expenditures. The maximum amount of proceeds of the revenue bonds referenced below that are expected to be allocated to the refinancing of such Project components (all of which are used by the Institution or an affiliate in an integrated operation) is \$7,515,000.

G. The refinancing of all or a portion of the outstanding MassHEFA Revenue Bonds, Winchester Hospital Issue, Series H (2010), which (1) financed (a) the demolition, construction, furnishing and equipping of approximately 30,000 square feet of the existing approximately 70,000 square foot, 2-3 story radiation/oncology center located at Winchester Hospital's outpatient campus at 620 Washington Street, Winchester (the "Washington Street Campus") to consolidate all oncology services at one location; (b) the renovation, construction, furnishing and equipping of an approximately 26,000 square foot, one-story addition to the existing radiation/oncology center located at the Washington Street Campus for use as a multi- specialty ambulatory surgery center; (c) the construction of a 425-car parking lot at 95 Maple Street, Stoneham ("Maple Street"); (d) the renovation of a 20,815 square foot, one-story building located at Maple Street for use as a supply warehouse; (e) certain working capital expenditures associated with the project, including costs of issuance; and (f) miscellaneous capital improvements and equipment acquisitions and installation throughout the foregoing described properties; (2) refinanced the MassHEFA Revenue Bonds, Winchester Hospital Issue, Series D, which financed and refinanced the following projects: (a) the renovation of 20,816 square feet of the medical complex located at on the Winchester Main Campus, to provide upgraded obstetrics services, including maternity, nursery, labor and delivery, circulation and mechanical facilities; (b) the construction of the New Wing Building located at the Winchester Main Campus and a five-level-plus addition to the "A" Wing Building and the West Wing Building at the Winchester Main Campus, containing approximately 103,000 square feet and housing a 28-bed adult medical/surgical acute care nursing unit, a ten-bed intensive and cardiac unit, a ten-bed medical/surgical young adult unit, an 18-bed pediatric nursing unit, a surgical day care center, a diagnostic radiology department, EKG services, lobby, admitting and discharge services and various other services, offices and mechanical spaces; (c) the construction of a 92,080 square foot, three-level parking structure located at the Winchester Main Campus with the capacity for parking 293 cars; (d) the renovation of approximately 40,000 square feet of the "A" Wing, West, East, South and Laundry-Boiler Room Buildings located at the Winchester Main Campus; (e) the acquisition of and renovations to the facility located at its outpatient campus at 500 Salem Street, Wilmington (the "Wilmington Campus"); (f) the relocation and renovation of the oncology, physical therapy, emergency room and radiology departments located at the Winchester Main Campus; (g) the acquisition of various capital equipment, including a sleep laboratory, computer hardware and software and communications equipment for use at the Winchester Main Campus; and (h) miscellaneous renovations to and equipping of various health care facilities of Winchester Hospital located at the Winchester Main Campus, the Wilmington Campus, 7 Alfred Street and 21 and 23 Warren Avenue, Woburn, 7 McKay Avenue, 162 Cross Street and 955 Main Street, Winchester, and 20 Pond Meadow Drive, Reading; and (3) refinanced projects originally financed by MassHEFA Variable Rate Demand Revenue Bonds, Winchester Hospital

Issue, Series G (2004), which financed (a) miscellaneous renovations to the Washington Street Campus and the facility located at the Wilmington Campus; and (b) miscellaneous renovations and equipment for various health care facilities of Winchester Hospital located at (i) 29 Massachusetts Avenue, Arlington; (ii) 75 Riverside Avenue, Medford; (iii) 20 Pond Meadow Drive, Reading; (iv) 21 Main Street, North Reading; (v) 133 Main Street, North Reading; (vi) 203 Main Street, North Reading; (vii) 3 Woodland Road, Stoneham; (viii) 88 Montvale Avenue, Stoneham; (ix) 2345 Main Street, Tewksbury; (x) the Wilmington Campus; (xi) 611 Main Street, Winchester; (xii) 955 Main Street, Winchester; (xiii) 7 McKay Avenue, Winchester; (xiv) 162 Cross Street, Winchester; (xv) 259 Swanton Street, Winchester; (xvi) 8 Winchester Place, Winchester; (xvii) 12 Alfred Street, Woburn; (xviii) 7 Alfred Street, Winchester; (xix) 21 Warren Avenue, Woburn; (xx) 23 Warren Avenue, Woburn; (xxi) 150 Presidential Way, Woburn; (xxii) 444 Washington Street, Woburn; (xxiii) 10P Commerce Way, Woburn; (xxiv) 800 West Cummings Park, Woburn; (xxv) 1021 Main Street, Winchester; (xxvi) Maple Street; (xxvii) 262, 262A and 264 West Cummings Park, Woburn; (xxviii) the Washington Street Campus; (xxix) 790 Boston Road, Billerica; and (xxx) 100 Bypass Road, North Andover. The maximum amount of proceeds of the revenue bonds referenced below that are expected to be allocated to the refinancing of such Project components (all of which are used by the Institution or an affiliate in an integrated operation) is \$65,000,000.

2. In addition to the refinancing of Project components as described above, the proposal of the Institution includes financing for new costs of the Project, consisting of the following:

A. Building improvements, fixed equipment and major moveable equipment for Lahey Hospital and Medical Center at the following locations: 41 Mall Road, 29 Mall Road and 31 Mall Road, Burlington, and Essex Center Drive, Peabody. The maximum amount of proceeds of the revenue bonds referenced below that are expected to be allocated to the financing of such Project components (all of which are to be used by the Institution or an affiliate in an integrated operation) is \$22,000,000.

B. Building improvements, fixed equipment, major moveable equipment and land improvements for NHC at its locations at the Beverly Hospital Campus and the Addison Hospital Campus. The maximum amount of proceeds of the revenue bonds referenced below that are expected to be allocated to the financing of such Project components (all of which are to be used by the Institution or an affiliate in an integrated operation) is \$22,000,000.

C. The installation and implementation of fixed equipment and major moveable equipment for Winchester Hospital on the Winchester Main Campus, including an EpicCare Inpatient Clinical System and an EpicCare Ambulatory Electronic Medical Records System. The maximum amount of proceeds of the revenue bonds referenced below that are expected to be allocated to the financing of such Project components (all of which are to be used by the Institution or an affiliate in an integrated operation) is \$22,000,000.

3. Additionally, the proposal of the Institution includes financing of the costs of issuance of the bonds referenced below. The maximum amount of proceeds of the revenue bonds referenced below that are expected to be allocated for such purpose is \$4,500,000.

The proposal of the Institution includes the financing and refinancing of the above-described Project costs through the issuance by MassDevelopment, acting under and pursuant to Massachusetts General Laws, Chapters 23G and 40D, of revenue bonds in an aggregate principal amount not to exceed \$225,000,000, which bonds will not constitute a debt or pledge of the faith and credit of MassDevelopment or of The Commonwealth of Massachusetts.

Interested persons wishing to express their views on the Project and the proposed issuance of revenue bonds to refinance the Project will be given the opportunity to do so at the public hearing or may, prior to the time of the public hearing, submit their views in writing to MassDevelopment at 99 High Street, 11th floor, Boston, Massachusetts 02110.

MASSACHUSETTS DEVELOPMENT
FINANCE AGENCY