

**APPROVING RESOLUTION
MODIFICATIONS RELATING TO THE GLEN ARDEN, INC. PROJECT**

A regular meeting of Orange County Industrial Development Agency (the “Issuer”) was convened in public session in the offices of the Issuer located at the Orange County Government Center at 255 Main Street in the Town of Goshen, Orange County, New York on June 21, 2023 at 5:30 o’clock p.m., local time.

The meeting was called to order by the Chairperson of the members of the Issuer and, upon roll being called, the following members of the Issuer were:

PRESENT:

Dean Tamburri	Acting Chairperson
Vincent Odock	Secretary
Marc Greene	Director
Giovanni Palladino	Director
Janes Rinaldi	Director
Susan Walski	Director

ABSENT:

ISSUER STAFF PRESENT INCLUDED THE FOLLOWING:

Bill Fioravanti	Chief Executive Officer
Marty Borrás	Administrative Assistant
Susan Katzoff, Esq.	Issuer Counsel
Christopher C. Canada, Esq.	Bond Counsel

The following resolution was offered by Susan Walski, seconded by Dean Tamburri, to wit:

RESOLUTION AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTATION BY ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE “ISSUER”) RELATING TO THE ISSUER’S LIFE CARE COMMUNITY REVENUE BONDS (THE GLEN ARDEN, INC. PROJECT), SERIES 1998 ISSUED BY THE ISSUER ON JULY 30, 1998 IN THE ORIGINAL PRINCIPAL AMOUNT OF \$28,020,000.

WHEREAS, Orange County Industrial Development Agency (the “Agency”) is authorized and empowered by the provisions of Chapter 1030 of 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the “Enabling Act”) and Chapter 390 of the 1972 Laws of New York, as amended, constituting Section 912 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research, and recreation facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, reconstruct, renovate and install one or more "projects" (as defined in the Act) or to cause said projects to be acquired, reconstructed, renovated and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, on July 30, 1998, the Issuer issued its Life Care Community Revenue Bonds (The Glen Arden, Inc. Project), Series 1998 in the original principal amount of \$28,020,000 (the "Series 1998 Bonds"); and

WHEREAS, the Series 1998 Bonds were issued pursuant to a resolution adopted by the members of the Issuer on July 18, 1998 (the "Bond Resolution") and an indenture of trust dated as of July 1, 1998 (the "Indenture") by and between the Issuer and The Bank of New York, as predecessor to The Bank of New York Mellon, as predecessor to UMB Bank, as trustee for the holders of the Series 1998 Bonds (the "Trustee"); and

WHEREAS, the proceeds of the Series 1998 Bonds were issued to finance a project (the "Project") for the benefit of The Glen Arden, Inc., a not-for-profit corporation organized and existing under the laws of the State of New York (the "Company") consisting of the following: (A) the refunding of the Issuer's Life Care Community Revenue Bonds (The Glen Arden, Inc. Project), Series 1994 issued on December 28, 1994 in the original principal amount of \$48,510,000 (the "Series 1994 Bonds"), such proceeds of the Series 1994 Bonds having been used to finance the acquisition, construction and equipping of a life care community located on an approximately 41 acre parcel of land at the acquisition of Harriman Drive with New York State Route 17 in the Village of Goshen, Orange County, New York and consisting of (i) an approximately 245,000 square foot building containing approximately 163 independent living units, a health care center containing approximately 40 skilled nursing beds, common areas dining rooms, kitchens, activity areas, lobbies and other facilities, (ii) an approximately 3,000 square foot building for administrative offices and an information center, (iii) parking facilities and (iv) other related and appurtenant facilities (collectively, the "Improvements") and certain machinery, equipment, furniture, fixtures and other items of tangible personal property to be installed in and around to the Improvements (collectively, the "Equipment") (the Land, the Improvements and the Equipment being referred to hereinafter as the "Facility"); (B) the funding of the Debt Service Reserve Fund (as defined in the Indenture); and (C) the payment of a portion of the costs incidental to the issuance of the Series 1998 Bonds; and

WHEREAS, in connection with the issuance of the Series 1994 Bonds, the Issuer and the Company entered into a sale agreement dated as of December 1, 1994 (the "Original Sale Agreement"), pursuant to which the Issuer agreed to undertake the acquisition, construction and installation of the Facility; and

WHEREAS, pursuant to a lease dated September 16, 1992, as subsequently amended on November 3, 1994 and on November 16, 1994, respectively (as so amended, the "Ground Lease") by and between the Company and Arden Hill Hospital ("Arden Hill"), the Company acquired a leasehold interest (the "Leasehold Interest") in an approximately thirty-five (35) acre parcel of land located in the Village of Goshen, Orange County, New York (the "Leasehold Parcel") from Arden Hill, as fee title owner of the Leasehold Parcel; and

WHEREAS, in connection with the issuance of the Series 1994 Bonds, the Company entered into an agreement for payments in lieu of taxes dated as of November 15, 1994 (the "PILOT Agreement") with Orange County, the Town of Goshen, the Village of Goshen and the Goshen Central School District (collectively, the "Taxing Jurisdictions"), pursuant to which the Company agreed to pay certain payments in lieu of taxes to the Taxing Jurisdictions (collectively, the "PILOT Payments") with respect to the Facility; and

WHEREAS, as of the date of this resolution, the PILOT Payments for tax years 2021, 2022 and 2023, respectively, have not been made by the Company to the Taxing Jurisdictions and remain due in full (collectively, the “Outstanding PILOT Payments”); and

WHEREAS, in connection with the issuance of the Series 1998 Bonds, the Company assigned its right, title and interest in and to the Ground Lease and the Leasehold Interest to the Issuer pursuant to an assignment of ground lease dated December 28, 1998 (the “Assignment of Ground Lease”) from the Company to the Issuer; and

WHEREAS, in connection with the issuance of the Series 1998 Bonds and the application of a portion of the proceeds thereof to refund the outstanding Series 1994 Bonds, the Issuer and the Company amended and restated the Original Sale Agreement in its entirety pursuant to an amended and restated sale agreement dated as of July 1, 1998 (the “Amended and Restated Sale Agreement”) by and between the Issuer and the Company, pursuant to which the Issuer agreed to sell the Facility to the Company; and

WHEREAS, as security for the Series 1998 Bonds, a mortgage lien on and security interest in the Facility was provided to the Trustee pursuant to a mortgage and security agreement dated as of July 1, 1998 (the “Series 1998 Mortgage”) from the Issuer and the Company to the Trustee; and

WHEREAS, in addition to the Leasehold Interest in the Leasehold Parcel, the Issuer currently is the fee title owner of a strip of land immediately adjacent to the Facility (the “Driveway Parcel”); and

WHEREAS, the Issuer received a letter dated May 12, 2023 (the “Request Letter”) from The Knolls at Goshen, Inc. (“Knolls”) (A) indicating the intention of Knolls to acquire substantially all of the assets of the continuing care retirement community original financed in part with proceeds of the Series 1994 Bonds and known as Glen Arden Inc. (“Glen Arden”) through an asset purchase (the “Acquisition”) and to assume the debt associated with the Series 1998 Bonds (the “Assumption” and together with the Acquisition, the “Transaction”) and (B) requesting that the Issuer, in connection with the Transaction, (i) enter into certain modifications to the Financing Documents (as defined in the Indenture) necessary to implement the Transaction (such modifications being collectively referred to hereinafter as the “Modification Documents”) and (ii) execute the necessary transfer documents (collectively, the “Transfer Documents”) relating to the transfer of the Issuer’s fee interest in the Driveway Parcel to Knolls (collectively referred to hereinafter as the “Request”), with a copy of the Request Letter being attached hereto as Exhibit A; and

WHEREAS, in connection with the Request, the Issuer now desires to authorize the following actions (collectively, the “Action”): (1) to make the amendments to the Financing Documents, including but not limited to amendments to the Indenture and the Amended and Restated Sale Agreement, (2) to make certain related amendments to the Financing Documents and (3) to make the assignments and transfers contemplated by the Transfer Documents; and

WHEREAS, if (and only if) the Action will result, in the opinion of Hodgson Russ LLP, bond counsel to the Issuer, in a deemed reissuance of the Series 1998 Bonds (referred to hereinafter as the “Reissued Series 1998 Bonds”) pursuant to the provisions of the Code in order to demonstrate compliance with the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), (A) the Company will (1) execute a tax regulatory agreement dated the date of delivery of the Reissued Series 1998 Bonds (the “Reissued Tax Regulatory Agreement”) concerning the requirements in Section 148 of the Code relating to the Reissued Series 1998 Bonds and (B) the Issuer will (1) execute an arbitrage certificate dated the date of delivery of the Reissued Series 1998 Bonds (the “Reissued Arbitrage Certificate”) relating to certain requirements set forth in Section 148 of the Code relating to the Reissued Series 1998 Bonds, (2) execute a completed Internal Revenue Service Form 8038 (Information Return for Tax-

Exempt Private Activity Bonds) relating to the Reissued Series 1998 Bonds (the “Reissued Information Return”) pursuant to Section 149(e) of the Code, and (3) file the Reissued Information Return with the Internal Revenue Service (the Series 1998 Bonds, the Reissued Series 1998 Bonds, the Modification Documents, the Transfer Documents, the Reissued Tax Regulatory Agreement, the Reissued Arbitrage Certificate and the Reissued Information Return are hereinafter referred to as the “Bond Documents”); and

WHEREAS, pursuant to SEQRA, the Issuer must determine the potential environmental significance of the Action;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. Pursuant to SEQRA, the Issuer hereby finds and determines that:

(A) Pursuant to Section 617.5(c)(26) of the Regulations, the Action (including but not limited to the execution and delivery of the Bond Documents) is a “Type II action” (as said quoted term is defined in the Regulations).

(B) Accordingly, the Issuer hereby determines that no environmental impact statement or any other determination or procedure is required under SEQRA with respect to the Action.

Section 2. The Issuer hereby finds and determines that:

(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.

(B) It is desirable and in the public interest for the Issuer to enter into the Bond Documents.

Section 3. In consequence of the foregoing, the Issuer hereby determines to: (A) authorize the Action; (B) subject to approval of the form and substance of the Bond Documents by Bond Counsel and counsel to the Issuer, approve the form and substance of the Bond Documents; (C) subject to (i) compliance with the terms and conditions contained in the existing documents relating to the Series 1998 Bonds and (ii) compliance with state and federal law applicable to the Action, authorize the execution and delivery of the Bond Documents.

Section 4. Subject to the satisfaction of the conditions described in Section 3 hereof, the Chairperson or Vice Chairperson of the Issuer (each, an “Authorized Officer”) is hereby authorized, on behalf of the Issuer, to (a) determine, on behalf of the Issuer, the Reissued Bond Details relating to the Reissued Bond and (b) execute and deliver the Bond Documents and the other documents related thereto and, where appropriate, the Secretary (or Assistant Secretary) of the Issuer is hereby authorized to affix the seal of the Issuer thereto and to attest the same, all in substantially the forms thereof approved by Bond Counsel and counsel to the Issuer, with such changes, variations, omissions and insertions as the Authorized Officer of the Issuer shall approve, the execution thereof by the Authorized Officer of the Issuer to constitute conclusive evidence of such approval.

Section 5. Subject to the execution and delivery of the other Bond Documents, and if (and only if) the Action will result, in the opinion of Hodgson Russ LLP, bond counsel to the Issuer, in a

deemed reissuance of the Series 1998 Bonds, the Issuer determines to execute and deliver the Reissued Bonds, provided that:

(A) The Reissued Bonds authorized to be issued, executed, sold and delivered pursuant to this Section 5 shall (i) be issued, executed and delivered at such time as the Authorized Officer of the Issuer shall determine, and (ii) bear interest at the rate or rates, be issued in such form, be subject to redemption prior to maturity and have such other terms and provisions and be issued in such manner and on such conditions as are set forth in the Reissued Bonds and the other Bond Documents or as are hereinafter approved by the Authorized Officer of the Issuer in accordance with Section 4 hereof, which terms are specifically incorporated herein by reference with the same force and effect as if fully set forth in this resolution.

(B) Neither the members nor officers of the Issuer, nor any person executing the Bond Documents on behalf of the Issuer in connection with the Action, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution, issuance or delivery thereof. The Reissued Bonds and the interest thereon are not and shall never be a debt of the State of New York, Orange County, New York or any political subdivision thereof (other than the Issuer), and neither the State of New York, Orange County, New York nor any political subdivision thereof (other than the Issuer) shall be liable thereon.

(C) The Reissued Bonds, together with interest payable thereon, are and shall be a special obligation of the Issuer payable solely from certain of the revenues and receipts derived from the operation, sale or other disposition of the Facility or from the enforcement of the security provided by the Bond Documents and the other security pledged to the payment thereof.

(D) Notwithstanding any other provision of this resolution, the Issuer covenants that it will make no use of the proceeds of the Reissued Bonds or of any other funds of the Issuer which, if said use had been reasonably expected on the date of issuance of the Reissued Bonds, would have caused the Reissued Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Code.

Section 6. 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 Bond 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 this resolution and to cause compliance by the Issuer with all of the terms, covenants and provisions of the Bond Documents binding upon the Issuer.

Section 7. Although the Taxing Jurisdictions have as of the date hereof reached an agreement in principle with Knolls as to the payment in full of the Outstanding PILOT Payments prior to the consummation of the Transaction, the approvals and authorizations of the Issuer set forth herein are contingent upon the receipt by the Issuer of the written approval of each Taxing Jurisdiction as to such payment prior to the consummation of the Transaction.

Section 8. This resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was duly put to a vote on roll call, which resulted as follows:

Dean Tamburri	VOTING	yea
Vincent Odock	VOTING	yea
Marc Greene	VOTING	yea
Giovanni Palladino	VOTING	yea
Janes Rinaldi	VOTING	yea
Susan Walski	VOTING	yea

The foregoing resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of Orange County Industrial Development Agency (the "Issuer"), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Issuer, including the resolution contained therein, held on June 21, 2023 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Issuer had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Issuer present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Issuer this 21st day of June, 2023.


BY: 
(Assistant) Secretary

EXHIBIT A
REQUEST LETTER

See attached.



Management Office
Bethel Communities
Management I, LLC
2042 Albany Post Road
Suite 8
Croton on Hudson, NY 10520
914-810-0477

www.bethelwell.org
www.theknolls.org

The Knolls
Continuing Care Retirement
Community
(Independent Living, Assisted
Living, Skilled Nursing)
55 Grasslands Road
Valhalla, NY 10595
914-461-4500

The Knolls
Adult Day Health Program
51 Grasslands Road
Valhalla, NY 10595
914-461-4500

Bethel Springville Inn
Assisted Living
62 Springville Road
Croton on Hudson, NY 10520
914-739-4404

Bethel Nursing Home
Skilled Nursing &
Sub-Acute Rehabilitation
17 Narragansett Avenue
Ossining, NY 10562
914-941-7300

Bethel Adult Day Services
Social & Medical Day Care
19 Narragansett Avenue
Ossining, NY 10562
914-941-7300

The Pines at Narragansett
Independent Senior Living
19 Narragansett Avenue
Ossining, NY 10562
914-941-7300

Bethel Home Care
Licensed Home Care Agency
914-941-1300

May 12, 2023

Bill Fioravanti, Chief Executive Officer
Orange County Industrial Development Agency
4 Crotty Lane - #100
New Windsor, New York 12553

Dear Mr. Fioravanti:

The Knolls at Goshen, Inc. ("TKG") is acquiring substantially all of the assets of the continuing care retirement community known as Glen Arden Inc. ("Glen Arden" or the "Community") through an asset purchase (the "Acquisition") that is expected to close no later than July 1, 2023 (the "Closing"). As part of the Acquisition, TKG intends to assume the debt associated with the Life Care Community Revenue Bonds (The Glen Arden, Inc. Project), Series 1998 Bonds issued on July 30, 1998 (the "Series 1998 Bonds") by Orange County Industrial Development Agency (the "IDA") pursuant to the Indenture of Trust (the "Indenture") by and among The Bank of New York, as predecessor to UMB Bank, as trustee for the holders of the Series 1998 Bonds, and the Issuer. The Series 1998 Bonds will be assumed by TKG pursuant to Section 9.2 of the Amended and Restated Sale Agreement (the "Amended and Restated Sale Agreement") by and among Glen Arden and the IDA. In formulating the Acquisition structure, one of the primary goals of TKG has been to maintain the tax-exempt status of the Series 1998 Bonds.

The assumption of the Series 1998 Bonds will necessarily involve the IDA and require the IDA to execute certain amendments relating thereto, including but not limited to the Indenture and the Amended and Restated Sale Agreement. Likewise, the cooperation of the IDA will be required in order to transfer the assets collateralizing the Series 1998 Bonds to TKG.

TKG is aware that Glen Arden is in substantial arrears under the Agreement for Payments in Lieu of Taxes (the "PILOT Agreement") by and among Glen Arden, Orange County, Town of Goshen, Village of Goshen and Board of Education of the Goshen Central School District (each, a "Taxing Jurisdiction" and, collectively, the "Taxing Jurisdictions") dated November 15, 1994. Upon the Closing, TKG will make the required monthly payments under the PILOT Agreement on a current basis. In addition, TKG intends to pay the arrears due to the Taxing Jurisdictions under the PILOT Agreement. Over the past several months, TKG has made a proposal to each of the Taxing Jurisdictions under which TKG would pay twenty percent (20%) of the arrears due to such Taxing Jurisdiction at the Closing and would pay the remaining eighty percent (80%) of the arrears due to such Taxing Jurisdiction by making equal monthly payments over the remaining term of the PILOT Agreement. Accordingly, after the Closing each Taxing Jurisdiction would receive two monthly payments – a currently monthly payment of the amount due under the PILOT Agreement and a second payment on account of the arrears. TKG is committed to reaching agreements with respect to the past due payments under the PILOT Agreement with the Taxing Jurisdictions prior to the Acquisition.

TKG appreciates the cooperation of the IDA and is available to answer any questions the IDA may have or provide any assistance that may be required.

Respectfully,

Beth Goldstein
Chief Executive Officer