

**APPROVING RESOLUTION  
MODIFICATIONS TO BOND RELATED DOCUMENTS –  
THE SENTINEL REALTY AT PORT JERVIS, LLC PROJECT**

A regular meeting of The Orange County Funding Corporation (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 October 19, 2022 at 5:30 o’clock p.m., local time.

The meeting was called to order by the (Vice) Chairperson of the board of directors of the Issuer (the “Board of Directors”) and, upon roll being called, the following members of the Board of Directors were:

**PRESENT:**

Michael Torelli	Chairperson
Dean Tamburri	Vice 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
Kelly Reilly	Project Manager
Marty Borras	Administrative Assistant
Susan Katzoff, Esq.	Issuer Counsel
Christopher C. Canada, Esq.	Bond Counsel

The following resolution was offered by Dean Tamburri, seconded by Vincent Odock to wit:

RESOLUTION AUTHORIZING THE EXECUTION OF CERTAIN AMENDMENTS BY THE ORANGE COUNTY FUNDING CORPORATION (THE “ISSUER”) TO (A) THE ISSUER’S TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE BOND (THE SENTINEL REALTY AT PORT JERVIS, LLC PROJECT), SERIES 2017 ISSUED BY THE ISSUER ON SEPTEMBER 15, 2017 IN THE ORIGINAL PRINCIPAL AMOUNT OF \$13,114,000 AND (B) CERTAIN DOCUMENTS RELATED THERETO.

WHEREAS, Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as amended (the “Enabling Act”) (A) authorizes any county to cause a not-for-profit local development corporation to be incorporated by public officers for, among other things, the public purposes of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, and lessening the burdens of government and acting in the public interest, (B) declares that in carrying out the aforesaid purposes and in exercising the powers



conferred in the Enabling Act, such corporations will be performing essential governmental functions, and (C) authorizes each such corporation to acquire real and personal property, to borrow money and issue negotiable bonds, notes and other obligations therefore, and to lease, sell, mortgage or otherwise dispose of or encumber any of its real or personal property upon such terms as it may determine and otherwise carry out its corporate purposes in the territory in which the operations of such corporation are principally to be conducted; and

WHEREAS, pursuant to the purposes and powers contained in the Enabling Act and a resolution adopted by the Orange County Legislature on May 6, 2010 and pursuant to its certificate of incorporation filed on May 13, 2010 with the State of New York Department of State, as amended, The Orange County Funding Corporation (the "Issuer") was established as a not-for-profit local development corporation of the State of New York (the "State") and a public instrumentality of Orange County, New York with the authority and power to own, lease and sell personal and real property for the purposes of, among other things, acquiring, constructing and equipping certain projects exclusively in furtherance of the charitable or public purposes of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instructing or training individuals to improve or develop their capabilities for such jobs, by encouraging the development of, or retention of, an industry in the community or area, and lessening the burdens of government and acting in the public interest and to issue its revenue bonds in furtherance of the foregoing; and

WHEREAS, on September 15, 2017, the Issuer issued its Tax-Exempt Multi-Family Housing Revenue Bond (The Sentinel Realty at Port Jervis, LLC Project), Series 2017 in the original principal amount of \$13,114,000 (the "Bond"); and

WHEREAS, the Bond was issued pursuant to a resolution adopted by the Board of Directors on May 11, 2017 (the "Bond Resolution") and a bond purchase, building loan and loan agreement dated as of September 1, 2017 (the "Bond Purchase Agreement") by and among the Issuer, The Sentinel Realty at Port Jervis, LLC (the "Fee Owner"), The Sentinel of Port Jervis, LLC (the "Operator" and together with the Fee Owner, the "Company") and M&T Bank, as initial holder of the Bond (the "Bank"); and

WHEREAS, the Bond was issued for the purpose of financing a portion of the costs of a certain project (the "Project") undertaken for the benefit of the Company consisting of the following: (A)(i) the renovation, development and conversion of an aggregate approximately 7-acre parcel of land located at 2247 and 40 Greenville Turnpike in the Town of Deerpark, Orange County, New York (collectively, the "Land") of the existing approximately 60,000 square-foot hotel into an one hundred sixty (160) bed assisted living facility and (ii) the construction of an approximately 5,000 square-foot addition thereto (collectively, the "Improvements"); (B) the acquisition and installation in and around the Improvements of certain items of equipment, machinery and other tangible personal property (the "Equipment" and, collectively with the Land and the Improvements, the "Project Facility"), all to be used by the Company as an assisted living facility; and (C) the payment of certain costs of issuance incurred in connection with the issuance of the Bond; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act") and the regulations (the "Regulations") adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, "SEQRA"), the Issuer, pursuant to the Bond Resolution, having reviewed the materials presented by the Company, including the negative declaration issued by the Town of Deerpark Planning Board on April 12, 2017 with respect to the Project (the "Negative Declaration"), (i) determined that the Project does not pose a potential significant adverse environmental impact and (ii) ratified the Negative Declaration; and



WHEREAS, the Bond was initially purchased by the Bank pursuant to the Bond Purchase Agreement; and

WHEREAS, contemporaneously with the issuance of the Bond, the Issuer, the Company, the Bank and the Guarantors (as defined herein) entered into various documents related to the Bond (collectively referred to hereinafter as the "Financing Documents"), including but not limited to the following: (A) the Bond Purchase Agreement, (B) a mortgage and security agreement dated as of September 1, 2017 (the "Mortgage") from the Fee Owner to the Issuer, as assigned by the Issuer to the Bank pursuant to an assignment of mortgage dated as of September 1, 2017 (the "Mortgage Assignment"), (C) a pledge and security agreement dated as of September 1, 2017 (the "Pledge and Security Agreement") from the Company to the Bank and (D) continuing guaranty agreements each dated as of September 1, 2017 from Eric Newhouse, Israel Orzel and Neil Zelman (collectively, the "Guarantors"), respectively (collectively, the "Guaranty"), pursuant to which the Guarantors jointly and severally guaranteed to the Bank the full and timely payment of principal and interest on the Bond and all other obligations of the Company to the Bank; and

WHEREAS, the Issuer has been notified by the Bank and the Company that (A) the Company intends to change the interest rate currently payable on the Bond from the Bank Rate (as defined in the Bond Purchase Agreement) to the Secured Overnight Financing Rate (SOFR) (the "Modification Request") and (B) the Company has requested that the Issuer and the Bank enter into modifications to the Bond and the related Financing Documents necessary to implement the Modification Request; and

WHEREAS, in connection with the Modification Request, the Issuer now desires to authorize the following actions (collectively, the "Action"): (1) to make the amendments to the Financing Documents and the Bond, (2) to make certain related amendments to the Financing Documents and the Bond, and (3) if (and only if) the Action results, in the opinion of Hodgson Russ LLP, bond counsel to the Issuer, in a deemed reissuance of the Bond (referred to hereinafter as the "Reissued Bond") and a deemed purchase of the Reissued Bond by the Bank pursuant to the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), to delegate to the Chairperson, Vice Chairperson and Chief Executive Officer of the Issuer (each, an "Authorized Officer") to determine, including but not limited to (a) the authorized principal amount of the Reissued Bond, (b) the purpose or purposes for which the Reissued Bond is being issued, (c) the date or dates, the maturity date or dates and principal amounts of the Reissued Bond, (d) the interest rate or rates of the Reissued Bond, (e) the denomination or denominations of and the manner of numbering and lettering the Reissued Bond, (f) the redemption price or purchase in lieu of redemption price or redemption prices or purchase in lieu of redemption prices, if any, and the redemption or purchase in lieu of redemption terms, if any, for the Reissued Bond, (g) the form of the Reissued Bond and (h) any other provisions deemed advisable by the Authorized Officer not in conflict with the provisions of this resolution (collectively, the "Reissued Bond Details"); and

WHEREAS, in connection therewith, the Issuer, the Company and the Bank desire to enter into (A) an omnibus amendment to certain financing documents (the "Omnibus Amendment") by and among the Issuer, the Company and the Bank and (B) certain other documents modifying the terms of the Financing Documents (the Omnibus Amendment and such other documents are hereinafter referred to as the "Modification Documents"); and

WHEREAS, if (and only if) the Action results, in the opinion of Hodgson Russ LLP, bond counsel to the Issuer, in a deemed reissuance of the Bond and a deemed purchase of the Bond by the Bank pursuant to the provisions of the Code in order to demonstrate compliance with the provisions of the Code relating to the Action, (A) the Company will (1) execute a tax regulatory agreement dated the date of delivery of the Reissued Bond (the "Reissued Tax Regulatory Agreement") concerning the requirements



in Section 148 of the Code relating to the Reissued Bond, (B) the Issuer will (1) execute an arbitrage certificate dated the date of delivery of the Reissued Bond (the "Reissued Arbitrage Certificate") relating to certain requirements set forth in Section 148 of the Code relating to the Reissued Bond, (2) execute a completed Internal Revenue Service Form 8038 (Information Return for Tax-Exempt Private Activity Bonds) relating to the Bond (the "Reissued Information Return") pursuant to Section 149(e) of the Code, and (3) file the Reissued Information Return with the Internal Revenue Service and (C) the Bank will execute a letter relating to the Reissued Bond (the "Reissued Issue Price Letter") confirming the issue price of the Reissued Bond for purposes of Section 148 of the Code, and further confirming the difference between the interest rate payable on the Reissued Bond and the interest rate payable on the Reissued Bond immediately preceding the execution and delivery of the Modification Documents (the Bond, the Reissued Bond, the Modification 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 BOARD OF DIRECTORS OF THE ORANGE COUNTY FUNDING CORPORATION AS FOLLOWS:

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

(A) Pursuant to Section 617.5(c)(29) 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 Bond 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 Authorized Officer of the Issuer 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, the Issuer determines to execute and deliver the Bond or the Reissued Bond (as the case may be), provided that:

(A) The Bond or the Reissued Bond (as the case may be) 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 Bond or the Reissued Bond (as the case may be) 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 directors nor officers of the Issuer, nor any person executing the Bond or the Reissued Bond (as the case may be) or any of the other Bond Documents on behalf of the Issuer, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution, issuance or delivery thereof. The Bond and the Reissued Bond (as the case may be) 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 Bond, together with interest payable thereon, 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 Project 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 Bond or the Reissued Bond (as the case may be) or of any other funds of the Issuer which, if said use had been reasonably expected on the date of issuance of the Bond or the Reissued Bond (as the case may be), would have caused the Bond or the Reissued Bond (as the case may be) 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. 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:

Michael Torelli	VOTING	<u>Yea</u>
Dean Tamburri	VOTING	<u>Yea</u>
Vincent Odock	VOTING	<u>Yea</u>
Marc Greene	VOTING	<u>Yea</u>
Giovanni Palladino	VOTING	<u>Yea</u>
Janes Rinaldi	VOTING	<u>Yea</u>
Susan Walski	VOTING	<u>Yea</u>

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 Funding Corporation (the "Issuer"), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the board of directors of the Issuer (the "Board of Directors"), including the resolution contained therein, held on October 19, 2022 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 Board of Directors 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 Board of Directors 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 19<sup>th</sup> day of October, 2022.

  
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(Assistant) Secretary