

AUTHORIZING RESOLUTION
(Drum Hill Senior Living Project -Mortgage Recording Tax Exemption)

A regular meeting of City of Peekskill Industrial Development Agency was convened on Tuesday January 23, 2024 at 7:00 p.m.

The following resolution was duly offered and seconded, to wit:

Resolution No. 2024-1

RESOLUTION OF THE CITY OF PEEKSKILL INDUSTRIAL DEVELOPMENT AGENCY (i) APPROVING CERTAIN FINANCIAL ASSISTANCE TO DRUM HILL ASSOCIATES LIMITED PARTNERSHIP (THE "COMPANY") IN THE FORM OF A MORTGAGE RECORDING TAX EXEMPTION IN CONNECTION WITH THE REFINANCE OF A CERTAIN PROJECT (AS MORE PARTICULARLY DESCRIBED HEREIN"), AND (ii) AUTHORIZING THE EXECUTION AND DELIVERY OF ANY DOCUMENTS, CERTIFICATES AND AGREEMENTS IN CONNECTION WITH SAME

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York ("GML"), as amended, and Chapter 671 of the Laws of 1974 of the State of New York, as amended (hereinafter collectively called the "Act"), the **CITY OF PEEKSKILL INDUSTRIAL DEVELOPMENT AGENCY** (hereinafter called the "Agency") was created with the authority and power to own, lease and sell property and to issue bonds for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, pursuant to that certain Indenture of Trust, dated as of October 1, 1998 (the "Indenture"), by and between the Agency and **DRUM HILL ASSOCIATES LIMITED PARTNERSHIP** (the "Company"), the Agency issued its original aggregate principal amount \$13,900,000 Senior Living Facility Revenue Bonds (Drum Hill Senior Living Project), Series 1998 (the "Bonds") for the benefit of the Company to finance a project (the "Project") consisting of the acquisition, reconstruction, construction and equipping of a senior living facility located in the City of Peekskill, New York (the "Facility") and paying certain costs related to the issuance of the Bonds; and

WHEREAS, pursuant to that certain Sale Agreement, dated as of October 1, 1998 (the "Sale Agreement"), the Agency sold its interest in the Facility to the Company, with the installment purchase payments thereunder to be in an amount sufficient to pay the principal of and interest on the Bonds; and

WHEREAS, in addition to the Indenture and the Sale Agreement the Agency and Company entered into that certain Payment in lieu of Tax Agreement, dated as of September 1, 1998 (the "Original PILOT Agreement"), as amended by the Amended and Restated Payment in

lieu of Tax Agreement, dated as of December 15, 2010 (the "First Amendment") for the benefit of the Affected Tax Jurisdictions, wherein the Company agreed to make certain Payments in Lieu of Taxes ("PILOT Payments"); and

WHEREAS, in connection with securing commercial financing and the redemption of the Bonds (the "2013 Commercial Financing"), the Company requested and, by resolution dated September 10, 2013, the Agency authorized, the termination of the Sale Agreement and execution of a "straight-lease transaction" pursuant to the Act for purposes of allowing the PILOT Agreement to remain in effect through the remaining term thereof (the "Straight-Lease Transaction"); and (ii) provide certain financial assistance (the "2013 Financial Assistance") to the Company in the form of mortgage recording tax exemption(s) relating to the 2013 Commercial Financing (the "2013 Transaction"); and

WHEREAS, in furtherance of the Straight-Lease Transaction, the Agency and the Company entered into certain agreements, including among others, (i) a certain Second Amendment to Payment in lieu of Tax Agreement, dated as of December 20, 2013 (the "Second Amendment" and together with the Original PILOT Agreement and First Amendment, the "PILOT Agreement"), (ii) a certain Lease Agreement, dated December 20, 2013, by and between the Company, as lessor, and Agency, as lessee (the "Lease Agreement"), (iii) a certain Leaseback Agreement, dated December 20, 2013, by and between the Agency, as sublessor, and, the Company as sublessee (the "Leaseback"), (iv) a certain Environmental Compliance and Indemnification Agreement, dated as of December 20, 2013 (the "Environmental Compliance Agreement"), from the Company in favor of the Agency, (v) a certain PILOT Mortgage, dated as of December 20, 2013 (the "PILOT Mortgage"), and (vi) related documents and certificates (the "Related Documents" and together with the PILOT Agreement, Lease Agreement, Leaseback, Environmental Compliance Agreement, and PILOT Mortgage, the "Agency Documents"); and

WHEREAS, the Company has requested the Agency's assistance in connection with the redemption and refinance of the 2013 Commercial Financing (the "2024 Refinancing"), and has submitted a request to the Agency for additional financial assistance (the "Financial Assistance") in the form of mortgage recording tax exemption(s) in the amount of up to approximately \$25,000.00; and

WHEREAS, pursuant to Article 18-A of the Act, the Agency desires to adopt a resolution describing the Project and the Financial Assistance, with such Financial Assistance to not exceed \$100,000; and

WHEREAS, in furtherance of the foregoing, the Agency desires to authorize (i) the provision of the Financial Assistance to the Company, which shall include an exemption of up to \$25,000.00 in mortgage recording tax exemptions in connection with the 2024 Refinancing, (ii) the execution and delivery of one or more mortgages and related security instruments and agreements in furtherance of the 2024 Refinancing, in accordance with applicable terms and conditions set forth within the Leaseback Agreement and PILOT Mortgage (the "Financing Documents"), *provided that* the Company is in compliance with and current on all obligations under the Agency Documents, or that the Company becomes current on its obligations prior to completion of the 2024 Refinancing.

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

Section 1. The Agency hereby authorizes the Financial Assistance in form of additional mortgage recording tax exemption(s) in the amount of up to \$25,000, *provided that* the Company is in compliance with and current on all obligations under the Agency Documents, or that the Company becomes current on its obligations prior to completion of the 2024 Refinancing.

Section 2. The Chairman, Vice Chairman and/or Executive Director of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver any non-recourse leasehold mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents reasonably contemplated by these resolutions or required by a lender to be identified by the Company (the "Lender") up to a maximum principal amount required to undertake the 2024 Refinancing; and, where appropriate, the Secretary or Acting Secretary of the Agency is hereby authorized to affix the seal of the Agency to the Agency Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chairman, Vice Chairman and/or Executive Director of the Agency shall approve, the execution thereof by the Chairman, Vice Chairman and/or Executive Director of the Agency to constitute conclusive evidence of such approval; provided in all events recourse against the Agency is limited and any such security instruments shall inure to the leasehold interest previously transferred by the Agency to the Company relating to the Facility.

Section 3. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such 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 the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 4. These Resolutions shall take effect immediately.

Dated: January 23, 2024

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

	Yea	Nea	Absent	Abstain
Alan Kravitz	[X]	[]	[]	[]
Drew Claxton	[]	[)	[X]	[)
Deborah Post	[X)	[]	[)	[)
Juliene Bell-Smith	[X)	[)	[]	[]
Rohan de Freitas	[X]	[)	[]	[]

The Resolutions were thereupon duly adopted.

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

I, the undersigned Secretary of the City of Peekskill Industrial Development Agency, DO
HEREBY CERTIFY:

That I have compared the annexed extract of minutes of the meeting of the City of Peekskill Industrial Development Agency (the "Agency"), including the resolution contained therein, held on January 23, 2024, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolution set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

I FURTHER CERTIFY, that all members of said Agency had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with such Article 7.

I FURTHER CERTIFY, that there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY, that as of the date hereof, the attached resolutions are in full force and effect and have not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency this 27 day of January, 2024.

By: Alan Kravitz
Secretary

