

**NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

APPLICATION FOR FINANCIAL ASSISTANCE

APPLICATION OF:

Amsterdam House Continuing Care Retirement Community, Inc.

APPLICANT NAME

Please respond to all questions in this Application for Financial Assistance (the "Application") by, as appropriate:

- filling in blanks;
- checking the applicable term(s);
- attaching additional text (with notation in Application such as "see Schedule H, Item # 1", etc.); or
- writing "N.A.", signifying "not applicable".

All attachments responsive to questions found in this Application should be clearly labeled and attached as Schedule I to the Application. If an estimate is given, enter "EST" after the figure. One signed original and one photocopy of the Application (including all attachments) must be submitted.

The following amounts are payable to the Nassau County Industrial Development Agency (the "Agency") at the time this Application is submitted to the Agency: (i) a \$1,500 non-refundable application fee (the "Application Fee"); (ii) a \$3,500 expense deposit for the Agency's Transaction/Bond Counsel fees and expenses (the "Counsel Fee Deposit"), (iii) a \$4,500 expense deposit for the cost/benefit analysis with respect to the project contemplated by this Application (the "Cost/Benefit Deposit"), and (iv) a \$500 expense deposit for the real property tax valuation analysis, if applicable, with respect to the project contemplated by this Application (the "Valuation Deposit"). The Application Fee will not be credited against any other fees or expenses which are or become payable to the Agency in connection with this Application or the project contemplated herein (the "Project"). In the event that the subject transaction does not close for any reason, the Agency may use all or any part of the Counsel Fee Deposit, the Cost/Benefit Deposit and/or the Valuation Deposit to defray the cost of Transaction/Bond Counsel fees and expenses, the cost of obtaining a cost/benefit analysis and/or the cost of obtaining a real property tax valuation with respect to the Project. In the event that the subject transaction does close, the Counsel Fee Deposit, the Cost/Benefit Deposit and the Valuation Deposit shall be credited against the applicable expenses incurred by the Agency with respect to the Project.

Every signature page comprising part of this Application must be signed by the Applicant or this Application will not be considered complete or accepted for consideration by the Agency.

The Agency's acceptance of this Application for consideration does not constitute a commitment on the part of the Agency to undertake the proposed Project, to grant any financial assistance with respect to the proposed Project or to enter into any negotiations with respect to the proposed Project.

Information provided herein may be subject to disclosure under the New York Freedom of Information Law (New York Public Officers Law § 84 et seq.) ("FOIL"). If the Applicant believes that a portion of the material submitted with this Application is protected from disclosure under FOIL, the Applicant should mark the applicable section(s) or page(s) as "confidential" and state the applicable exception to disclosure under FOIL.

June 18, 2021

DATE

PART I. APPLICANT

A. APPLICANT FOR FINANCIAL ASSISTANCE:

Name: Amsterdam House Continuing Care Retirement Community, Inc.

Address: 300 East Overlook Drive, Port Washington, NY 11050

Fax: _____

NY State Dept. of
Labor Reg #: 04-544688 Federal Employer ID #: [REDACTED]

NAICS Code #: 623311

Website: <https://theamsterdamharborside.com>

Name of CEO or
Authorized Representative Certifying Application: James Davis

Title of Officer: President & CEO

Phone Number: 212 316-7711 E-Mail: jdavis@amsterdamnh.org

B. BUSINESS TYPE (Check applicable status. Complete blanks as necessary):

Sole Proprietorship ☐ General Partnership ☐ Limited Partnership ☐

Limited Liability Company ☐ Privately Held Corporation ☐

Publicly Held Corporation ☐ Exchange listed on _____

Not-for-Profit Corporation ☒

Income taxed as: Subchapter S ☐ Subchapter C ☐

501(c)(3) Corporation ☒ Partnership ☐

State and Year of Incorporation/Organization: New York, 2004

Qualified to do Business in New York: Yes ☐ No ☐ N/A ☒

C. APPLICANT COUNSEL:

Firm name:	Dennett Law Offices, P.C.
Address:	8 Bond Street, Suite 300 Great Neck, NY 11021-2418
Primary Contact:	Richard A. Dennett
Phone:	516 504-1400
Fax:	516 214-8095
E-Mail:	rdennett@dennettlaw.com

- D. Principal stockholders, members or partners, if any (i.e., owners of 10% or more of equity/voting rights in Applicant):

Name	Percentage owned
see schedule I	_____ %
_____	_____ %
_____	_____ %

- E. If any of the persons described in the response to the preceding Question, or a group of said persons, owns more than a 50% interest in the Applicant, list all other entities which are related to the Applicant by virtue of such persons having more than a 50% interest in such entities:

see schedule I

- F. Is the Applicant related to any other entity by reason of more than 50% common ownership? If YES, indicate name of related entity and relationship:

YES _____ NO _____

see schedule I

- G. List parent corporation, sister corporations and subsidiaries, if any:

see schedule I

- H. Has the Applicant (or any parent company, subsidiary, affiliate or related entity or person) been involved in, applied for or benefited by any prior industrial development financing in the municipality in which this Project is located, whether by the Agency or another issuer, or in a contiguous municipality? ("Municipality" herein means city, town or village, or, if the Project is not in an incorporated city or village, Nassau County.) If YES, describe:

YES ☒

NO ☐

see schedule I

- I. Is the Applicant (or any parent company, subsidiary, affiliate or related entity or person) or any principal(s) of the Applicant or its related entities involved in any litigation or aware of any threatened litigation that would have a material adverse effect on the Applicant's financial condition or the financial condition of said principal(s)? If YES, attach details at Schedule I.

YES ☒

NO ☐

- J. Has the Applicant (or any parent company, subsidiary, affiliate or related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, ever been involved, as debtor, in bankruptcy, creditors rights or receivership proceedings or sought protection from creditors? If YES, attach details at Schedule I.

YES ☒

NO ☐

- K. Has the Applicant (or any parent company, subsidiary, affiliate or related entity or person) or any principal(s) of the Applicant or its related entities, ever been convicted of any felony or misdemeanor (other than minor traffic offenses), or have any such related persons or principal(s) held positions or ownership interests in any firm or corporation that has been convicted of a felony or misdemeanor (other than minor traffic offenses), or are any of the foregoing the subject of a pending criminal proceeding or investigation? If YES, attach details at Schedule I.

YES ☐

NO ☒

- L. Has the Applicant (or any parent company, subsidiary, affiliate or related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, been cited for (or is there a pending proceeding or investigation with respect to) a civil violation of federal, state or local laws or regulations with respect to labor practices, hazardous wastes, environmental pollution, taxation, or other operating practices? If YES, attach details at Schedule I.

YES _____

NO X

- M. Is the Applicant (or any parent company, subsidiary, affiliate or related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, delinquent or have any of the foregoing persons or entities been delinquent on any New York State, federal or local tax obligations within the past five (5) years? If YES, attach details at Schedule I.

YES _____

NO X

- N. Complete the following information for principals (including, in the case of corporations, officers and members of the board of directors and, in the case of limited liability company, members and managers) of the Applicant:

Name	Title	Other Business Affiliations
See Schedule I		

Do any of the foregoing principals hold elected or appointive positions with New York State, any political division of New York State or any other governmental agency? If YES, attach details at Schedule I.

YES X

NO _____

Are any of the foregoing principals employed by any federal, state or local municipality or any agency, authority, department, board, or commission thereof or any other governmental or quasi-governmental organization?

YES _____

NO X

- O. Operation at existing location(s) (Complete separate Section O for each existing location):

1. (a) Location: 300 E. Overlook, Port Washington, NY 11050

(b) Number of Employees: Full-Time: 89 Part-Time: 23

(c) Annual Payroll, excluding benefits: \$4,981,228

(d) Type of operation (e.g. manufacturing, wholesale, distribution, retail, etc.)
and products or services: continuing care retirement community

(e) Size of existing facility real property
(i.e., acreage of land): 8.9 acres

(f) Buildings (number and square footage of each): 1 bldg approx 557,000 sf

(g) Applicant's interest in the facility

FEE Title: Lease: Other (describe below):

The Agency is fee owner subject to installment sale agreement in favor of Applicant

-
2. Will the completion of the proposed Project result in the removal of a plant or facility of the Applicant, or of a proposed user, occupant or tenant of the Project, or a relocation of any employee of the Applicant, or any employee of a proposed user, occupant or tenant of the Project, from one area of the State of New York (but outside of Nassau County) to a location in Nassau County or in the abandonment of such a plant or facility located in an area of the State of New York outside of Nassau County? If YES, complete the attached Anti-Raiding Questionnaire (Schedule D).

YES

NO X

3. Will the proposed Project result in the removal or abandonment of a plant or facility of the Applicant, or of a proposed user, occupant or tenant of the proposed Project, or a relocation of any employee of the Applicant, or any employee of a proposed user, occupant or tenant of the proposed Project, located within Nassau County? If YES, identify the location of the plant or facility and provide explanation.

YES

NO X

-
- P. Has the Applicant considered moving to another state or another location within New York State? If YES, explain circumstances.

YES

NO X

-
- Q. Does any one supplier or customer account for over 50% of Applicant's annual purchases or sales, respectively? If YES, attach name and contact information for supplier and/or customer, as applicable:

YES _____

NO X

- R. Does the Applicant (including any related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, have any contractual or other relationship with the Agency or the County of Nassau? If YES, attach details at Schedule I.

YES X

NO _____

- S. Nature of Applicant's business (e.g., description of goods to be sold, products manufactured, assembled or processed, services rendered):

continuing care retirement community

- T. ANY RELATED PARTY PROPOSED TO BE A USER OF THE PROJECT:

Name: See schedule I

Relationship to Applicant: _____

Provide the information requested in Questions A through S above with respect to each such party by attachment at Schedule I.

PART II. PROPOSED PROJECT

A. Types of Financial Assistance Requested:

- ☐ Tax-Exempt Bonds
- ☒ Taxable Bonds
- ☒ Refunding Bonds
- ☐ Sales/Use Tax Exemption
- ☒ Mortgage Recording Tax Exemption
- ☒ Real Property Tax Exemption
- ☒ Other (specify): Restructuring of existing debt

B. Type of Proposed Project (check all that apply and provide requested information):

- ☐ New Construction of a Facility
Square footage: _____
- ☐ Addition to Existing Facility
Square footage of existing facility: _____
Square footage of addition: _____
- ☐ Renovation of Existing Facility
Square footage of area renovated: _____
Square footage of existing facility: _____
- ☐ Acquisition of Land/Building
Acreage/square footage of land: _____
Square footage of building: _____
- ☐ Acquisition of Furniture/Machinery/Equipment
List principal items or categories:

- ☒ Other (specify): restructuring of existing debt

C. Briefly describe the purpose of the proposed Project, the reasons why the Project is necessary to the Applicant and why the Agency's financial assistance is necessary, and the effect the Project will have on the Applicant's business or operations:

see schedule I

- D. Is there a likelihood that the proposed Project would not be undertaken by the Applicant but for the granting of the financial assistance by the Agency? (If yes, explain; if no, explain why the Agency should grant the financial assistance with respect to the proposed Project)

YES _____

NO _____

N/A

- E. If the Applicant is unable to arrange Agency financing or other Agency financial assistance for the Project, what will be the impact on the Applicant and Nassau County? Would the Applicant proceed with the Project without Agency financing or other Agency financial assistance? Describe.

see schedule I

- F. Location of Project:

Street Address: 300 E. Overlook Drive

City/Village(s): Port Washington

Town(s): North Hempstead

School District(s): Port Washington - 4

Tax Map Section: 6 Block: 53 Lot: 1066

Census Tract Number: 3010

- G. Present use of the Project site: continuing care retirement community

- H. (a) What are the current real estate taxes on the Project site? (If amount of current taxes is not available, provide assessed value for each):

General: \$ see schedule I

School: \$ see schedule I

Village: \$ see schedule H

- (b) Are tax certiorari proceedings currently pending with respect to the Project real property? If YES, attach details at Schedule I including copies of pleadings, decisions, etc.

YES _____

NO X _____

- I. Describe proposed Project site ownership structure (*i.e.*, Applicant or other entity):

see schedule I

- J. To what purpose will the building or buildings to be acquired, constructed or renovated be used by the Applicant? (Include description of goods to be sold, products to be manufactured, assembled or processed and services to be rendered.)

Continuing care retirement community licensed under Article 46 of the New York State

Public Health Law providing independent living, enriched housing and skilled nursing to residents.

- K. If any space in the Project is to be leased to or occupied by third parties (*i.e.*, parties not related to the Applicant), or is currently leased to or occupied by third parties who will remain as tenants, provide the names and contact information for each such tenant, indicate total square footage of the Project to be leased to each tenant, and describe proposed use by each tenant:

see schedule I

- L. Provide, to the extent available, the information requested, in Part I, Questions A, B, D and O, with respect to any party described in the preceding response.

see schedule I

- M. Does the proposed Project meet zoning/land use requirements at proposed location?

YES X _____

NO _____

1. Describe present zoning/land use: N/A

2. Describe required zoning/land use, if different: N/A

3. If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements:

N/A

- N. Does the Applicant, or any related entity or person, currently hold a lease or license on the Project site? If YES, please provide details and a copy of the lease/license.

YES _____ NO X _____

- O. Does the Applicant, or any related entity or person, currently hold fee title to (i.e. own) the Project site?

YES _____ NO X _____

If YES, indicate:

- (a) Date of purchase: _____
- (b) Purchase price: \$ _____
- (c) Balance of existing mortgage, if any: \$ _____
- (d) Name of mortgage holder: _____
- (e) Special conditions: _____

If NO, indicate name of present owner of Project site: the Agency

- P. Does the Applicant or any related person or entity have an option or a contract to purchase the Project site and/or any buildings on the Project site?

YES X _____ NO _____

If YES, attach copy of contract or option at Schedule I and indicate:

- (a) Date signed: ISA dated 11/1/2014
- (b) Purchase price: \$ N/A
- (c) Closing date: N/A

Is there a relationship legally or by virtue of common control or ownership between the Applicant (and/or its principals) and the seller of the Project (and/or its principals)?

If YES, describe:

YES _____ NO X _____

- Q. Will customers personally visit the Project site for either of the following economic activities? If YES with respect to either economic activity indicated below, complete the attached Retail Questionnaire (Schedule E).

Sales of Goods: YES _____ NO X Sales of Services: YES _____ NO X

- R. Describe the social and economic conditions in the community where the Project site is or will be located and the impact of the proposed Project on the community (including impact on infrastructure, transportation, fire and police and other government-provided services):

N/A - restructuring of existing debt

- S. Identify the following Project parties (if applicable):

Architect: N/A

Engineer: N/A

Contractors: N/A

- T. Will the Project be designed and constructed to comply with Green Building Standards? (if YES, describe the LEED green building rating that will be achieved):

YES N/A

NO N/A

- U. Is the proposed Project site located on a Brownfield? (if YES, provide description of contamination and proposed remediation)

YES _____

NO X

- V. Will the proposed Project produce a unique service or product or provide a service that is not otherwise available in the community in which the proposed Project site is located?

YES X

NO _____

- W. Is the proposed Project site currently subject to an IDA transaction (whether through the Agency or otherwise)? If yes, explain.

YES X

NO _____

see schedule H

PART III. CAPITAL COSTS OF THE PROJECT

- A. Provide an estimate of cost of all items listed below:

	<u>Item</u>	<u>Cost</u>
1.	Land and/or Building Acquisition	\$ <u>see schedule I</u>
2.	Building Demolition	\$ _____
3.	Construction/Reconstruction/Renovation	\$ _____
4.	Site Work	\$ _____
5.	Infrastructure Work	\$ _____
6.	Architectural/Engineering Fees	\$ _____
7.	Applicant's Legal Fees	\$ _____
8.	Financial Fees	\$ _____
9.	Other Professional Fees	\$ _____
10.	Furniture, Equipment & Machinery Acquisition (not included in 3. above)	\$ _____
11.	Other Soft Costs (describe)	\$ _____
12.	Other (describe)	\$ _____
	Total	\$ _____

- B. Estimated Sources of Funds for Project Costs:

a.	Tax-Exempt IDA Bonds:	\$ <u>see schedule I</u>
b.	Taxable IDA Bonds:	\$ _____
c.	Conventional Mortgage Loans:	\$ _____
d.	SBA or other Governmental Financing: Identify: _____	\$ _____
e.	Other Public Sources (e.g., grants, tax credits): Identify: _____	\$ _____

f. Other Loans: \$ _____
 g. Equity Investment: \$ _____
 (excluding equity attributable to grants/tax credits)
 TOTAL \$ _____

What percentage of the total project costs are funded/financed from public sector sources: _____ %

- C. Have any of the above costs been paid or incurred (including contracts of sale or purchase orders) as of the date of this application? If YES, describe particulars on a separate sheet.

YES _____ NO N/A

- D. Are items of working capital, moving expenses, work in progress, or stock in trade included in the proposed uses of the bond proceeds (if applicable)? If YES, provide details:

YES X NO _____ NOT APPLICABLE _____

see schedule I

- E. Will any of the funds to be borrowed through the Agency's issuance of bonds, if applicable, be used to repay or refinance an existing mortgage, outstanding loan or an outstanding bond issue? If YES, provide details:

YES X NO _____ NOT APPLICABLE _____

see schedule I

- F. Has the Applicant made any arrangement for the marketing or the purchase of the bonds or the provision of other third party financing (if applicable)? If YES, indicate with whom (subject to Agency approval) and provide a copy of any term sheet or commitment letter issued with respect to such financing.

YES X NO _____ NOT APPLICABLE _____

see schedule I

- G. Construction Cost Breakdown:
- Total Cost of Construction: \$ N/A (sum of 2-5 and 10 in Question A above)
- Cost for materials: \$ _____
- % Sourced in County: _____%
- % Sourced in State: _____% (incl. County)
- Cost for labor: \$ _____
- % Sourced in County: _____%
- % Sourced in State: _____% (incl. County)
- Cost for "other": \$ _____
- % Sourced in County: _____%
- % Sourced in County: _____% (incl. County)

The Applicant acknowledges that the transaction/bond documents may include a covenant by the Applicant to undertake and document the total amount of capital investment as set forth in this Application.

PART IV. COST/BENEFIT ANALYSIS

- A. If the Applicant presently operates in Nassau County, provide the current annual payroll. Estimate projected payroll at the Project site in First Year, Second Year and Third Year after completion of the Project:

	<u>Present</u>	<u>First Year</u>	<u>Second Year</u>	<u>Third Year</u>
Full-time:	\$ See Sched I.	\$ _____	\$ _____	\$ _____
Part-time: ¹				

List the average salaries or provide ranges of salaries for the following categories of jobs (on a full-time equivalency basis) projected to be retained/created in Nassau County as a result of the proposed Project:

<u>Category of Jobs to be Retained:</u>	<u>Average Salary or Range of Salary:</u>	<u>Average Fringe Benefits or Range of Fringe Benefits</u>
Management	see schedule I	
Professional		
Administrative		
Production		
Supervisor		
Laborer		

¹ NOTE: The Agency converts part-time jobs into FTE's for evaluation and reporting purposes by dividing the number of part-time jobs by two (2).

Independent Contractor ²		
Other		

<u>Category of Jobs to be Created:</u>	<u>Average Salary or Range of Salary:</u>	<u>Average Fringe Benefits or Range of Fringe Benefits</u>
Management	N/A	
Professional		
Administrative		
Production		
Supervisor		
Laborer		
Independent Contractor ³		
Other		

The Agency may utilize the foregoing employment projections and the projections set forth in Schedule C, among other things, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction/bond documents may include a covenant by the Applicant to retain the number of jobs, types of occupations and amount of payroll with respect to the Project set forth in this Application.

- B. (i) Will the Applicant transfer current employees from existing location(s)? If YES, describe, please describe the number of current employees to be transferred and the location from which such employees would be transferred:

YES _____

NO X _____

- (ii) Describe the number of estimated full time equivalent construction jobs to be created as a result of undertaking the project, to the extent any:

N/A

² As used in this chart, this category includes employees of independent contractors.

³ As used in this chart, this category includes employees of independent contractors.

- § N/A

N/A %

_____ %

- | | <u>Amount</u> | <u>% Sourced in County</u> | <u>% Sourced in State</u> |
|--------|---------------|----------------------------|---------------------------|
| Year 1 | \$ N/A | | |
| Year 2 | \$ | | |
| Year 3 | \$ | | |

- N/A - restructuring of existing debt

- | | |
|--|--------|
| Estimated Value of Sales Tax Benefit:
(i.e., gross amount of cost of goods and services
that are subject to state and local sales and use taxes
multiplied by 8.625%) | \$ N/A |
|--|--------|

Estimated Value of Mortgage Tax Benefit: \$ 301,275.00
(i.e., principal amount of mortgage loans
multiplied by [0.75%])

Estimated Property Tax Benefit:

Will the proposed Project utilize a property tax
exemption benefit other than from the Agency: _____
(if so, please describe)

Term of PILOT Requested: contin of existing _____

Existing Property Taxes on Land and Building: \$ _____

Estimated Property Taxes on completed Project: \$ _____
(without Agency financial assistance)

NOTE: Upon receipt of this Application by the Agency,
the Agency's staff will create a PILOT schedule and estimate
the amount of PILOT Benefit/Cost utilizing anticipated
tax rates and assessed valuation, and attach such information
as Exhibit A hereto.

- G. Describe and estimate any other one-time municipal revenues (not including fees payable
to the Agency) that the Project will create:

N/A

PART V. PROJECT SCHEDULE

- A. If applicable, has construction/reconstruction/renovation work on the Project begun? If
YES, indicate the percentage of completion:

1. (a) Site clearance	YES ____	NO ____	<u>N/A</u> % complete
(b) Environmental Remediation	YES ____	NO ____	<u>N/A</u> % complete
(c) Foundation	YES ____	NO ____	<u>N/A</u> % complete
(d) Footings	YES ____	NO ____	<u>N/A</u> % complete

(e) Steel	YES ____	NO ____	<u>N/A</u> % complete
(f) Masonry	YES ____	NO ____	<u>N/A</u> % complete
(g) Interior	YES ____	NO ____	<u>N/A</u> % complete
(h) Other (describe below):	YES ____	NO ____	<u>N/A</u> % complete

2. If NO to all of the above categories, what is the proposed date of commencement of construction, reconstruction, renovation, installation or equipping of the Project?

N/A - restructuring of existing debt

- B. Provide an estimate of time schedule to complete the Project and when the first use of the Project is expected to occur:

N/A - restructuring of existing debt

PART VI. ENVIRONMENTAL IMPACT

- A. What is the expected environmental impact of the Project? (Complete the attached Environmental Assessment Form (Schedule G)).

N/A - restructuring of existing Agency debt

- B. Is an environmental impact statement required by Article 8 of the N.Y. Environmental Conservation Law (i.e., the New York State Environmental Quality Review Act)?

YES ____ NO X

- C. Please be advised that the Agency may require at the sole cost and expense of the Applicant the preparation and delivery to the Agency of an environmental report in form and scope satisfactory to the Agency, depending on the responses set forth in the Environmental Assessment Form. If an environmental report has been or is being prepared in connection with the Project, please provide a copy.

- D. The Applicant authorizes the Agency to make inquiry of the United States Environmental Protection Agency, the New York State Department of Environmental Conservation or

any other appropriate federal, state or local governmental agency or authority as to whether the Project site or any property adjacent to or within the immediate vicinity of the Project site is or has been identified as a site at which hazardous substances are being or have been used, stored, treated, generated, transported, processed, handled, produced, released or disposed of. The Applicant will be required to secure the written consent of the owner of the Project site to such inquiries (if the Applicant is not the owner), upon request of the Agency.

THE UNDERSIGNED HEREBY CERTIFIES, under penalties of perjury, that the answers and information provided above and in any schedule, exhibit or statement attached hereto are true, accurate and complete, to the best of the knowledge of the undersigned.

Name of
Applicant: Amsterdam House Continuing Care Retirement Community, Inc.
Signature: [Redacted]
Name: James Davis
Title: President & CEO
Date: June 18, 2021

Sworn to before me this 21st
day of June, 2021

[Redacted]
Notary Public

CHAVA DAVIDOWITZ
Notary Public - State of New York
No. 01DA8403785
Qualified in Queens County
My Commission Expires 2/3/2021

CERTIFICATIONS AND ACKNOWLEDGMENTS OF THE APPLICANT

FIRST:

The Applicant hereby certifies that, if financial assistance is provided by the Agency for the proposed project, no funds of the Agency (i) shall be used in connection with the Project for the purpose of preventing the establishment of an industrial or manufacturing plant or for the purpose of advertising or promotional materials which depict elected or appointed government officials in either print or electronic media, (ii) be given to any group or organization which is attempting to prevent the establishment of an industrial or manufacturing plant within the State.

SECOND:

The Applicant hereby certifies that no member, manager, principal, officer or director of the Applicant or any affiliate thereof has any blood, marital or business relationship with any member of the Agency (or any member of the family of any member of the Agency).

THIRD:

The Applicant hereby certifies that neither the Applicant nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners (other than equity owners of publicly-traded companies), nor any of their respective employees, officers, directors, or representatives (i) is a person or entity with whom United States persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control (OFAC) of the Department of the Treasury, including those named on OFAC's Specially Designated and Blocked Persons List, or under any statute, executive order or other governmental action, or (ii) has engaged in any dealings or transactions or is otherwise associated with such persons or entities.

FOURTH:

The Applicant hereby acknowledges that the Agency shall obtain and hereby authorizes the Agency to obtain credit reports and other financial background information and perform other due diligence on the Applicant and/or any other entity or individual related thereto, as the Agency may deem necessary to provide the requested financial assistance.

FIFTH:

The Applicant hereby certifies that each owner, occupant or operator that would receive financial assistance with respect to the proposed Project is in substantial compliance with applicable federal, state and local tax, worker protection and environmental laws, rules and regulations.

SIXTH:

The Applicant hereby acknowledges that the submission to the Agency of any knowingly false or knowingly misleading information may lead to the immediate termination of any financial assistance and the recapture from the Applicant of an amount equal to all or any part of any tax exemption claimed by reason of the Agency's involvement in the Project.

SEVENTH:

The Applicant hereby certifies that, as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the General Municipal Law, including, but not limited to, the provisions of Section 859-a and Section 862(1) thereof.

EIGHTH:

(i) Does the Project propose the creation of housing?

YES _____ NO X

If YES, how many units? _____

If YES, the Applicant hereby certifies that:

(a) the Applicant has adopted a Fair Housing/Equal Housing Opportunity Policy substantially in the form of Exhibit B to this Application;

(b) the proposed Project complies with applicable fair housing laws and that eligibility criteria for housing in any part of the Project will not include any residency requirements or preferences, including durational ones, age restrictions (unless for senior housing permitted by law), or other discriminatory criteria;

(c) the Applicant (1) has posted its Fair Housing/Equal Housing Opportunity Policy publicly; and (2) will display fair housing law posters for consumers in its rental or sales office(s), in a form substantially similar to the model fair housing posters attached to this Application as Exhibit C (the Agency will provide applicants with fair housing law posters for display upon request by an applicant); and

(d) key employees of the Applicant in charge of marketing and rental of the Project have completed (or will complete within one year of closing) four (4) hours of fair housing training provided by Long Island Housing Services ("LIHS") at a reasonably acceptable time and location and at no additional cost to the Applicant. In the event LIHS declines to provide or make available reasonably acceptable no-cost fair housing training, the provisions of this Certification VIII(i)(d) shall cease to be of any force and effect.

(ii) If YES to (i) above, does the Project propose the creation of "affordable" or "workforce" housing ("Affordable Housing")?

YES _____ NO _____

If YES, the Applicant hereby certifies that the Applicant (1) has adopted a non-discriminatory affirmative marketing plan that meets the criteria set forth in Exhibit D to this Application; and (2) will submit such marketing plan to the Agency in writing prior to closing.

If YES, answer the following questions:

(a) What portion of the Project would consist of Affordable Housing (e.g., number of units)?

(b) What are the eligibility requirements for the Affordable Housing?

(c) Cite the specific source of such eligibility requirements (e.g., federal, state or local law).

Name of
Applicant: Asheboro House Continuing Care Retirement Community, Inc.

By: 

Name: JAMES DAVIS
Title: PRES/CEO

**CERTIFICATION AND AGREEMENT
WITH RESPECT TO FEES AND COSTS**

Capitalized terms used but not otherwise defined in this Certification and Agreement shall have the meanings assigned to such terms in the Application.

The undersigned, being duly sworn, deposes and says, under penalties of perjury, as follows: that I am the chief executive officer or other representative authorized to bind the Applicant named in the attached application for financial assistance ("Application") and that I hold the office specified below my signature at the end of this Certification and Agreement, that I am authorized and empowered to deliver this Certification and Agreement and the Application for and on behalf of the Applicant, that I am familiar with the contents of said Application (including all schedules, exhibits and attachments thereto), and that said contents are true, accurate and complete to the best of my knowledge and belief.

The grounds of my belief relative to all matters in the Application that are not based upon my own personal knowledge are based upon investigations I have made or have caused to be made concerning the subject matter of this Application, as well as upon information acquired in the course of my duties and from the books and records of the Applicant.

As an authorized representative of the Applicant, I acknowledge and agree on behalf of the Applicant that the Applicant hereby releases the Nassau County Industrial Development Agency, its members, officers, servants, attorneys, agents and employees (collectively, the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend (with counsel selected by the Agency) and hold the Agency harmless from and against any and all liability, damages, causes of actions, losses, costs or expenses incurred by the Agency in connection with: (A) examination and processing of, and action pursuant to or upon, the Application, regardless of whether or not the Application or the financial assistance requested therein are favorably acted upon by the Agency, (B) the acquisition, construction, reconstruction, renovation, installation and/or equipping of the Project by the Agency, and (C) any further action taken by the Agency with respect to the Project; including, without limiting the generality of the foregoing, (i) all fees and expenses of the Agency's general counsel, transaction/bond counsel, economic development consultant, real property tax valuation consultant and other attorneys, experts and consultants (if deemed necessary or advisable by the Agency), and (ii) all other expenses (including attorneys' fees) incurred by the Agency in defending any suits, actions or proceedings that may arise as a result of any of the foregoing. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails within a reasonable or specified period of time to take reasonable, proper or requested action or withdraws, abandons, cancels, or neglects the Application or if the Applicant is unable to find buyers willing to purchase the total bond issue required or is unable to secure other third party financing or otherwise fails to conclude the Project, then upon presentation of an invoice by the Agency, its agents, attorneys or assigns, the Applicant shall pay to the Agency, its agents, attorneys or assigns, as the case may be, all fees and expenses reflected in any such invoice.

As an authorized representative of the Applicant, I acknowledge and agree on behalf of the Applicant that each of the Agency's general counsel, transaction/bond counsel, economic development consultant, real property tax valuation consultant and other experts and consultants is an intended third-party beneficiary of this Certification and Agreement, and that each of them may (but shall not be obligated to) enforce the provisions of the immediately preceding paragraph, whether by lawsuit or otherwise, to collect the fees and expenses of such party or person incurred by the Agency (whether or not first paid by the Agency) with respect to the Application.

Upon successful closing of the required bond issue or other form of financing or Agency assistance, the Applicant shall pay to the Agency an administrative fee set by the Agency (which amount is payable at closing) in accordance with the following schedule:

- (A) Taxable Bond Issues Six-tenths (6/10) of one percent (1%) for the first twenty million dollars (\$20,000,000) of total project costs and, if applicable, two-tenths (2/10) of one percent (1%) for any additional amounts in excess of twenty million dollars (\$20,000,000) of total project costs.
- (B) Tax-Exempt Bond Issues – Six-tenths (6/10) of one percent (1%) of total project costs.
- (C) Straight-Lease Transactions Six-tenths (6/10) of one percent (1%) for the first twenty million dollars (\$20,000,000) of total project costs and, if applicable, two-tenths (2/10) of one percent (1%) for any additional amounts in excess of twenty million dollars (\$20,000,000) of total project costs
- (D) General Counsel Fee – One-tenth (1/10) of one percent (1%) of total project costs, with a minimum fee of \$4,000.
- (E) All Initial Transactions - Two Thousand Five Hundred Dollars (\$2,500) closing compliance fee payable at closing and One Thousand Dollars (\$1,000) per year (or part thereof) administrative fee, payable in advance, at the closing for the first year (or part thereof) and on January 1st of each year for the term of the financing. The annual service fee is subject to periodic review and may be adjusted from time to time in the discretion of the Agency.
- (F) Refundings – The Agency fee shall be determined on a case-by-case basis.
- (F) Assumptions – The Agency fee shall be determined on a case-by-case basis.
- (G) Modifications – The Agency fee shall be determined on a case-by-case basis, but in accordance with the following schedule.
 - A basic Consent - \$750
 - A Transfer of Benefits
 - Basic - \$3,000
 - Complex - \$6,000
 - Extensions - \$1,000
- (H) Terminations - The Agency fee shall be determined on a case-by-case basis, but in accordance with the following schedule.
 - Basic - \$2,000
 - Complex - \$2,500

The Agency's transaction/bond counsel fees and expenses are payable at closing and are based on the work performed in connection with the Project.

The Agency's transaction/bond counsel's fees, general counsel fee and the administrative fees may be considered as a cost of the Project and included as part of any resultant financing, subject to compliance with applicable law.

Guided by the above stated schedule amounts, upon the termination of the financing of the Project, Applicant agrees to pay all costs in connection with any conveyance by the Agency to the Applicant of the Agency's interest in the Project and the termination of all related Project documents, including the fees and expenses of the Agency's general counsel, bond/transaction counsel, and all applicable recording, filing or other related fees, taxes and charges.

I further acknowledge and agree on behalf of the Applicant that, in the event the Agency shall have used all of its available tax-exempt bond financing allocation from the State of New York, if applicable, and shall accordingly be unable to obtain an additional allocation for the benefit of the Applicant, the Agency shall have no liability or responsibility as a result of the inability of the Agency to issue and deliver tax-exempt bonds for the benefit of the Applicant.

[Redacted Signature]

Name: JAMES DAVIS
Title: PRES/CEO

Subscribed and affirmed to me this 21st
day of June, 2021

[Redacted Notary Signature]

Notary Public [Redacted]

CHAVA DAVIDOWITZ
Notary Public - State of New York
No. 01DA8403785
Qualified in Queens County
My Commission Expires 2/3/2024

TABLE OF SCHEDULES:

<u>Schedule</u>	<u>Title</u>	<u>Complete as Indicated Below</u>
A.	Tax-Exempt Bond Manufacturing Questionnaire	If Applicant checked "YES" in Part I, Question H of Application, if applicable[]
B.	New York State Financial and Employment Requirements for Industrial Development Agencies	All applicants
C.	Guidelines for Access to Employment Opportunities	All applicants
D.	Anti-Raiding Questionnaire	If Applicant checked "YES" in Part I, Question O.2. of Application
E.	Retail Questionnaire	If Applicant checked "YES" in Part II, Question Q of Application
F.	Applicant's Financial Attachments, consisting of:	All applicants
	1. Applicant's financial statements for the last two fiscal years (unless included in Applicant's annual reports).	
	2. Applicant's annual reports (or Form 10-K's) for the two most recent fiscal years.	
	3. Applicant's quarterly reports (Form 10-Q's) and current reports (Form 8-K's) since the most recent Annual Report, if any.	
	4. In addition, attach the financial information described above in items F1, F2, and F3 of any anticipated Guarantor of the proposed transaction, if different than the Applicant, including the personal financial statement of any anticipated Guarantor that is a natural person.	
G.	Environmental Assessment Form	All applicants
H.	Form NYS-45 (and 45-ATT)	All applicants
I.	Other Attachments	As required

TAX-EXEMPT BOND MANUFACTURING QUESTIONNAIRE

(To be completed by the Applicant if the Applicant checked "YES" in Part I, Question II of the Application for Financial Assistance, if applicable).

Please complete the following questions for each facility to be financed. Use additional pages as necessary.

1. Describe the production process which occurs at the facility to be financed.

2. Allocate the facility to be financed by function (expressed in square footage) (e.g., production line, employee lunchroom, offices, restrooms, storage, warehouse, loading dock, repair shop, parking, research, sales, etc.) and location in relation to production (e.g., same building, adjacent land or building, off-site, etc.). Please attach blueprints of the facility to be financed.

<u>FUNCTION</u>	<u>LOCATION</u>	<u>SQ. FOOTAGE</u>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>

TOTAL

3. Of the space allocated to offices above, identify by function (e.g., executive offices, payroll, production, etc.) and location in relation to production (e.g., same building, adjacent land or building, off-site, etc.).

<u>FUNCTION</u>	<u>LOCATION</u>	<u>SQ. FOOTAGE</u>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>

TOTAL

4. Of the space allocated to storage or warehousing above, identify the square footage and location of the areas devoted to storage of the following:

SQ. FOOTAGE**LOCATION**

Raw Materials used
for production of
manufactured goods

Finished product storage

Component parts of
goods manufactured at
the facility

Purchased component
parts

Other (specify)

TOTAL

5. List raw materials used at the facility to be financed in the processing of the finished product(s).

6. List finished product(s) which are produced at the facility to be financed.

The UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true and correct.

Name of
Applicant:

Signature:

Name:

Title:

Date:

**NEW YORK STATE FINANCIAL AND EMPLOYMENT REPORTING
REQUIREMENTS FOR INDUSTRIAL DEVELOPMENT AGENCIES**

- A. Pursuant to applicable law, the Agency requires the completion of an Initial Employment Plan (see Schedule C) and a year-end employment plan status report, both of which shall be filed by the Nassau County Industrial Development Agency (the "Agency") with the New York State Department of Economic Development. The Project documents will require the Applicant to provide such report to the Agency on or before February 11 of the succeeding year, together with such employment verification information as the Agency may require.

Except as otherwise provided by collective bargaining agreements, the Applicant agrees to list any new employment opportunities with the New York Department of Labor Community Services Division and the administrative entity of the service delivery area created by the Federal Job Training Partnership Act (P.L. 97-300), or any successor statute thereto (the "JTPA Entities"). In addition, except as otherwise provided by collective bargaining agreements, the Applicant, where practicable, will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for such new employment opportunities.


- B. The Applicant will be required to file annually a statement with the New York State Department of Taxation and Finance and the Agency of the value of all sales or use tax exemptions claimed in connection with the Project by reason of the involvement of the Agency.
- C. The following information must be provided for all bonds issued, outstanding or retired during the year:

Name, address and owner of the project; total amount of tax exemptions granted (broken out by state and local sales tax, property taxes, and mortgage recording tax); payments in lieu of taxes made; total real estate taxes on the Project prior to exemption; number of jobs created and retained, and other economic benefits realized.

Date of issue; interest rate at end of year; bonds outstanding at beginning of year; bonds issued during year; principal payments made during year; bonds outstanding at end of year; federal tax status; and maturity date(s).

Failure to provide any of the aforesaid information will constitute a DEFAULT under the Project documents to be entered into by the Agency and the Applicant in connection with the proposed Project.

Please sign below to indicate that the Applicant has read and understood the above and agrees to provide the described information on a timely basis.

Name of Applicant:	<u>Amelkang House Certified Local Government Community, Inc.</u>
Signature:	
Name:	<u>James Davis</u>
Title:	<u>President & CEO</u>
Date:	<u>June 18, 2021</u>

GUIDELINES FOR ACCESS TO EMPLOYMENT OPPORTUNITIES**INITIAL EMPLOYMENT PLAN**

Prior to the expenditure of bond proceeds or the granting of other financial assistance, the Applicant shall complete the following initial employment plan:

Applicant Name: Amsterdam House Continuing Care Retirement Community, Inc.
 Address: 300 E Overlook Drive, Port Washington, NY 11050
 Type of Business: continuing care retirement community
 Contact Person: James Davis Tel. No.: 212 316-7711

Please complete the following table describing the projected full-time equivalent employment plan for the proposed Project following receipt of financial assistance:

<u>Current and Planned Occupations</u>	<u>Present Jobs Per Occupation</u>	<u>Estimated Number of Full Time Equivalent Jobs After Completion of the Project:⁴</u>			<u>Estimate of Number of Residents of the LMA⁵ that would fill such jobs by the third year</u>
		<u>1 year</u>	<u>2 years</u>	<u>3 years</u>	
<u>Management</u>	<u>13.75 FTEs</u>	<u>14 FTEs</u>			
<u>Professional</u>	<u>5.03 FTEs</u>	<u>4.42 FTEs</u>			
<u>Administrative</u>	<u>7.27 FTEs</u>	<u>9.3 FTEs</u>			
<u>Production</u>					
<u>Supervisor</u>					
<u>Laborer</u>					
<u>Independent Contractor</u>		<u>82.81 FTEs</u>			
<u>Other (describe)</u>	<u>63.61 FTEs</u>	<u>76.90 FTEs</u>			

⁴ NOTE: Convert part-time jobs into FTE's for evaluation and reporting purposes by dividing the number of part-time jobs by two (2).

⁵ The "LMA" means the Local Market Area, which is defined by the Agency as Nassau and Suffolk Counties. The Labor Market Area is the same as the Long Island Economic Development Region, as established pursuant to Section 230 of the New York State Economic Development Law.

Please indicate the number of temporary construction jobs anticipated to be created in connection with the acquisition, construction and/or renovation of the Project: *N/A*

Please indicate the estimated hiring dates for the new jobs shown above and any special recruitment or training that will be required:

N/A

Are the Applicant's employees currently covered by a collective bargaining agreement?

YES _____ NO ☒

IF YES, Union Name and Local: _____

Please note that the Agency may utilize the foregoing employment projections, among other things, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction/bond documents may include a covenant by the Applicant to retain the above number of jobs, types of occupations and amount of payroll with respect to the proposed project.

Attached hereto as Schedule H is a true, correct and complete copy of the Applicant's most recent Quarterly Combined Withholding, Wage Reporting, and Unemployment Insurance Return (Form NYS-45 and 45-ATT). Upon request of the Agency, the Applicant shall provide such other or additional information or documentation as the Agency may require with respect to the Applicant's current employment levels in the State of New York.

The UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true, correct and complete.

Name of Applicant:

Artesian House Continuing Care Retirement Community, Inc.

Signature:

Name: _____

Title:

Date:

James Davis

President & CEO

June 18, 2021

ANTI-RAIDING QUESTIONNAIRE

(To be completed by Applicant if Applicant checked "YES" in Part I, Question O of the Application for Financial Assistance)

- A. Will the completion of the Project result in the removal of a plant or facility of the Applicant, or of a proposed user, occupant or tenant of the Project, or a relocation of any employee of the Applicant or of a proposed user, occupant or tenant of the Project, from an area in New York State (but outside of Nassau County) to an area within Nassau County?

YES _____

NO _____

If the answer to Question A is YES, please provide the following information:

Address of the to-be-removed plant or facility or the plants or facilities from which employees are relocated: _____

Names of all current users, occupants or tenants of the to-be-removed plant or facility: _____

- B. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Applicant, or of a proposed user, occupant or tenant of the Project, located in an area of the State of New York other than in Nassau County?

YES _____

NO _____

If the answer to Question B is YES, please provide the following information:

Addresses of the to-be-abandoned plants or facilities: _____

Names of all current occupants of the to-be-abandoned plants or facilities:

- C. Has the Applicant contacted the local industrial development agency at which its current plants or facilities in New York State are located with respect to the Applicant's intention to move or abandon such plants or facilities?

YES _____

NO _____

If the answer to Question C is YES, please provide details in a separate attachment.

IF THE ANSWER TO EITHER QUESTION A OR B IS "YES", ANSWER QUESTIONS D AND E.

- D. Is the Project reasonably necessary to preserve the competitive position of the Applicant, or of a proposed user, occupant or tenant of the Project, in its industry?

YES _____

NO _____

- E. Is the Project reasonably necessary to discourage the Applicant, or a proposed user, occupant or tenant of the Project, from removing such plant or facility to a location outside of the State of New York?

YES _____

NO _____

IF THE ANSWER TO EITHER QUESTION D OR E IS "YES", PLEASE PROVIDE DETAILS IN A SEPARATE ATTACHMENT.

Accordingly, the Applicant certifies that the provisions of Section 862(1) of the General Municipal Law will not be violated if financial assistance is provided by the Agency for the proposed Project.

NOTE: If the proposed Project involves the removal or abandonment of a plant or facility of the Applicant, or a proposed user, occupant or tenant of the Project, within the State of New York, notification will be made by the Agency to the chief executive officer(s) of the municipality or municipalities in which such plant or facility was located.

THE UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true, correct and complete.

Name of
Applicant:

Signature:

Name:

Title:

Date:

RETAIL QUESTIONNAIRE

(To be completed by Applicant if Applicant checked either "YES" in Part II, Question Q of the Application for Financial Assistance)

- A. Will any portion of the Project (including that portion of the cost to be financed from equity or sources other than Agency financing) consist of facilities or property that are or will be primarily used in making retail sales to customers who personally visit the Project?

YES _____

NO _____

For purposes of Question A, the term "retail sales" means (i) sales by a registered vendor under Article 28 of Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

- B. If the answer to Question A is YES, what percentage of the cost of the Project (including that portion of the cost to be financed from equity or sources other than Agency financing) will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project?

_____ %

- C. If the answer to Question A is YES, and the amount entered for Question B is greater than 33.33%, indicate whether any of the following apply to the Project:

1. Is the Project likely to attract a significant number of visitors from outside the economic development region (i.e., Nassau and Suffolk Counties) in which the Project is or will be located?

YES _____

NO _____

2. Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the city, town or village within which the Project will be located, because of a lack of reasonably accessible retail trade facilities offering such goods or services?

YES _____

NO _____

3. Will the Project be located in one of the following: (a) an area designated as an empire zone pursuant to Article 18-B of the General Municipal Law; or (b) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (i) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of the households receiving public assistance, and (ii) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates?

YES _____

NO _____

If the answer to any of the subdivisions 1 through 3 of Question C is YES, attach details.

- D. If the answer to any of the subdivisions 2 through 3 of Question C is YES, will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? If YES, attach details.

YES _____

NO _____

- E. State percentage of the Applicant's annual gross revenues comprised of each of the following:

Retail Sales: _____%

Services: _____%

- F. State percentage of Project premises utilized for same:

Retail Sales: _____%

Services: _____%

The UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true, correct and complete.

Name of
Applicant:

Signature:

Name:

Title:

Date:

APPLICANT'S FINANCIAL ATTACHMENTS

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



**Amsterdam House Continuing Care
Retirement Community, Inc.**

Independent Auditor's Report and Financial Statements

December 31, 2018 and 2017



**Amsterdam House Continuing Care
Retirement Community, Inc.**

December 31, 2018 and 2017

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Independent Auditor's Report

Board of Directors
Amsterdam House Continuing Care
Retirement Community, Inc.
Port Washington, New York

We have audited the accompanying financial statements of Amsterdam House Continuing Care Retirement Community, Inc., which comprise the balance sheet as of December 31, 2018, and the related statements of operations and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Amsterdam House Continuing Care Retirement Community, Inc. as of December 31, 2018, and the results of its operations, the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As described in *Note 2* to the financial statements, in 2018, Amsterdam House Continuing Care Retirement Community, Inc. adopted ASU 2016-14, *Not-for-Profit Entities* (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*, Accounting Standards Codification 606, *Revenue from Contracts with Customers* and ASU 2016-18 *Statement of Cash Flows* (Topic 230): *Restricted Cash*. Our opinion is not modified with respect to these matters.

Prior Year Audited by Other Auditors

The 2017 financial statements were audited by other auditors, and their report thereon, dated April 26, 2018, expressed an unmodified opinion.

BKD, LLP

New York, New York
January 23, 2020

Amsterdam House Continuing Care Retirement Community, Inc.

Balance Sheets December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,628,122	\$ 2,527,144
Security deposits held in trust	209,028	107,250
Accounts receivable, net for 2017	903,111	708,746
Entrance fees receivable	1,808,939	-
Assets limited as to use	16,035,363	19,329,066
Prepaid expenses and other assets	<u>306,761</u>	<u>202,304</u>
Total current assets	<u>20,891,324</u>	<u>22,874,510</u>
Assets Limited as to Use	<u>8,603,300</u>	<u>8,508,985</u>
Other Assets		
Advertising and marketing costs	-	1,016,940
Property and equipment, net of accumulated depreciation of 2018 - \$54,095,038; 2017 - \$47,373,630	<u>204,955,790</u>	<u>211,125,392</u>
Total other assets	<u>204,955,790</u>	<u>212,142,332</u>
Total assets	<u><u>\$ 234,450,414</u></u>	<u><u>\$ 243,525,827</u></u>

Amsterdam House Continuing Care Retirement Community, Inc.

Balance Sheets (Continued)
December 31, 2018 and 2017

	2018	2017
Liabilities and Net Assets (Deficit)		
Current Liabilities		
Accounts payable and accrued expenses	\$ 2,418,204	\$ 2,455,341
Refundable entrance fees	4,807,745	6,265,927
Conversion and wait list deposits refundable	345,893	425,957
Accrued interest payable	4,857,682	4,897,651
Current portion of long-term debt	1,542,458	1,445,402
Security deposits	209,028	107,250
Total current liabilities	<u>14,181,010</u>	<u>15,597,528</u>
Long-Term Liabilities		
Accrued development fees	41,667	41,667
Refundable entrance fees	153,464,111	148,592,569
Nonrefundable entrance fees	26,808,413	26,594,491
Accrued interest payable	5,105,016	3,831,300
Long-term debt	200,791,108	202,115,348
Subvention		
Subordinate note, Health System	3,000,000	3,000,000
Accrued interest	3,342,404	3,104,592
Future service obligation	34,313,000	40,514,000
Total long-term liabilities	<u>426,865,719</u>	<u>427,793,967</u>
Total liabilities	441,046,729	443,391,495
Net Assets (Deficit), Without Donor Restrictions, Undesignated	<u>(206,596,315)</u>	<u>(199,865,668)</u>
Total liabilities and net assets (deficit)	<u>\$ 234,450,414</u>	<u>\$ 243,525,827</u>

**Amsterdam House Continuing Care
Retirement Community, Inc.**
Statements of Operations and Changes in Net Assets
Years Ended December 31, 2018 and 2017

	2018	2017
Operating Revenues		
Resident and patient services (net of contractual allowances and discounts)		\$ 21,638,604
Provision for uncollectible accounts		(39,258)
Resident and patient services revenue (net of 2017 provision for uncollectible accounts)	\$ 21,291,707	21,599,346
Amortization of nonrefundable entrance fees	5,273,009	4,790,577
Other operating revenues	324,035	276,723
Total operating revenues	26,888,751	26,666,646
Operating Expenses		
Program Expenses, Resident Care Services		
Resident services	743,738	732,973
Enriched housing	1,430,508	1,260,392
Skilled nursing	5,236,777	5,424,461
Ancillary and therapy	961,189	888,359
Building maintenance services	929,634	867,525
Dining services	4,076,352	3,763,109
Emergency system services	119,264	138,098
Grounds maintenance services	96,728	101,332
Housekeeping services	979,649	925,752
Transportation services	263,041	239,188
Utilities	1,515,053	1,360,662
Insurance	377,024	308,155
Payment in lieu of taxes	446,919	434,636
Homeowner's fees	197,699	178,021
Other fees	23,248	16,900
Interest expense	11,207,298	11,472,109
Depreciation and amortization	6,732,640	6,640,880
Total program expenses, resident care services	35,336,761	34,752,552

**Amsterdam House Continuing Care
Retirement Community, Inc.**
Statements of Operations and Changes in Net Assets (Continued)
Years Ended December 31, 2018 and 2017

	2018	2017
General and Administrative Expenses		
Administrative services	\$ 1,514,250	\$ 1,350,428
Marketing services	1,045,517	1,000,024
Management fees	859,403	834,334
Amortization of capitalized advertising and marketing costs	1,016,940	1,488,996
Interest expense on subvention	237,813	213,750
	<u>4,673,923</u>	<u>4,887,532</u>
Total general and administrative expenses		
	<u>40,010,684</u>	<u>39,640,084</u>
Operating Loss	<u>(13,121,933)</u>	<u>(12,973,438)</u>
Other Income (Loss)		
Interest income	271,902	161,826
Loss on disposal of property and equipment	(17,830)	-
	<u>254,072</u>	<u>161,826</u>
Total other income		
	<u>254,072</u>	<u>161,826</u>
Deficiency of Revenues Over Expenses	(12,867,861)	(12,811,612)
Future service obligation adjustments	6,201,000	878,000
Change in unrealized loss on investments	(63,786)	(76,822)
	<u>(6,730,647)</u>	<u>(12,010,434)</u>
Change in Net Assets Without Donor Restrictions		
	<u>(6,730,647)</u>	<u>(12,010,434)</u>
Net Assets (Deficit), Beginning of Year	<u>(199,865,668)</u>	<u>(187,855,234)</u>
Net Assets (Deficit), End of Year	<u>\$ (206,596,315)</u>	<u>\$ (199,865,668)</u>

Amsterdam House Continuing Care Retirement Community, Inc.

Statements of Cash Flows Years Ended December 31, 2018 and 2017

	2018	2017 (As Adjusted - Note 2)
Operating Activities		
Change in net assets without donor restrictions	\$ (6,730,647)	\$ (12,010,434)
Items not requiring (providing) operating cash flows		
Depreciation and amortization	6,732,640	6,640,880
Amortization of advertising and marketing costs	1,016,940	1,488,996
Amortization of bond issuance costs included in interest expense	218,218	222,812
Entrance fees received	24,098,276	16,642,103
Amortization of nonrefundable entrance fees	(5,273,009)	(4,790,577)
Change in unrealized loss on investments	63,786	76,822
Loss on disposal of property and equipment	17,830	-
Future service obligation adjustments	(6,201,000)	(878,000)
Changes in		
Accounts receivable	(194,365)	(2,448)
Entrance fee receivable	(1,808,939)	6,338,574
Prepaid expenses and other assets	(104,457)	69,078
Accounts payable and accrued expenses	(37,137)	483,105
Conversion and wait list deposits refundable	(80,064)	161,259
Accrued interest payable	1,233,747	889,448
Security deposits	101,778	(70,370)
Accrued interest payable on subvention	237,812	213,750
Net cash provided by (used in) operating activities	<u>13,291,409</u>	<u>15,474,998</u>
Investing Activities		
Purchase of property and equipment	(580,869)	(1,039,968)
Change in assets limited as to use	<u>(421,773)</u>	<u>(1,160,300)</u>
Net cash used in investing activities	<u>(1,002,642)</u>	<u>(2,200,268)</u>

**Amsterdam House Continuing Care
Retirement Community, Inc.**
Statements of Cash Flows (Continued)
Years Ended December 31, 2018 and 2017

	2018	2017 (As Adjusted - Note 2)
Financing Activities		
Principal payments of long-term debt	\$ (1,445,402)	\$ (13,068,794)
Refund of entrance fees	(15,197,985)	(7,086,856)
Net cash used in financing activities	<u>(16,643,387)</u>	<u>(20,155,650)</u>
Change in Cash, Cash Equivalents Restricted Cash and Restricted Cash Equivalents	(4,354,620)	(6,880,920)
Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents, Beginning of Year	<u>22,240,525</u>	<u>29,121,445</u>
Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents, End of Year	<u><u>\$ 17,885,905</u></u>	<u><u>\$ 22,240,525</u></u>
Reconciliation of Cash and Cash Equivalents to the Balance Sheets		
Cash and cash equivalents in current assets	\$ 1,628,122	\$ 2,527,144
Security deposits held in trust in current assets	209,028	107,250
Cash and cash equivalents in assets limited as to use	<u>16,048,755</u>	<u>19,606,131</u>
	<u><u>\$ 17,885,905</u></u>	<u><u>\$ 22,240,525</u></u>
Supplemental Cash Flows Information		
Cash paid during the year for interest	\$ 9,755,333	\$ 10,359,849
Entrance fees received in cash, net of refunds, other than initial entrance fees	\$ 5,417,402	\$ 11,377,592

Amsterdam House Continuing Care Retirement Community, Inc.

Notes to Financial Statements

December 31, 2018 and 2017

Note 1: Organization and Summary of Significant Accounting Policies

Organization

Amsterdam House Continuing Care Retirement Community, Inc. (AHCCRC, Inc.) was established as a not-for-profit corporation on January 30, 2004. AHCCRC, Inc. is exempt from federal income tax under Internal Revenue Code Section 501(c)(3). Amsterdam Continuing Care Health System, Inc. (the Health System) is the sole corporate member of AHCCRC, Inc.

AHCCRC, Inc. operates a continuing care retirement community, licensed under Article 46 of the Public Health Law, known as The Amsterdam at Harborside, located in Port Washington, New York, which includes: 229 independent living apartments, 26 enriched housing units and 18 special needs assisted living units, 56 skilled nursing beds and related common areas and amenities and related infrastructure (collectively, the Community).

AHCCRC, Inc. is supported by entrance fees, monthly service fees from residents and third party reimbursement for the skilled nursing beds.

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid instruments with maturities, when acquired, of three months or less.

At December 31, 2018, AHCCRC, Inc.'s cash accounts exceeded federally insured limits by approximately \$4.4 million.

Security Deposits Held in Trust

Security deposits held in trust are maintained in a separate interest-bearing bank account.

Amsterdam House Continuing Care Retirement Community, Inc.

Notes to Financial Statements

December 31, 2018 and 2017

Accounts Receivable

Accounts receivable are stated at the amount of consideration from residents to which AHCCRC, Inc. expects to be entitled in exchange for providing resident and patient care services. AHCCRC, Inc. performs individual credit risk assessments which evaluate the individual circumstances, abilities and intentions of each resident prior to providing services. If subsequent to providing services AHCCRC, Inc. becomes aware of resident-specific events, facts or circumstances indicating a resident no longer has the ability or intention to pay the amount of consideration to which AHCCRC, Inc. expected to be entitled for providing services, then the related receivable balances are written off as bad debt expense and reported in the statements of operations and changes in net assets as other operating expenses.

Allowance for Doubtful Accounts

For the year ending December 31, 2017, an allowance for doubtful accounts is charged if the receivable is determined to be uncollectible based on periodic review by management. Factors used to determine whether an allowance should be recorded include the age of the receivable and a review of payments subsequent to year end. Interest is not accrued or recorded on outstanding receivables.

Contract Assets

A contract asset is recorded when AHCCRC, Inc. has an unconditional right to consideration in exchange for goods or services that AHCCRC, Inc. has transferred to the resident. There are no contract assets at December 31, 2018.

Advertising and Marketing

Capitalized direct response advertising and marketing costs are amortized on the straight-line basis over the average expected life of the original occupancy contracts of eight years. \$1,488,996 of amortization expense was recorded for the year ended December 31, 2017.

In addition, for the years ending December 31, 2018 and 2017 advertising expenses of \$292,426 and \$272,501, respectively, were expensed when incurred.

Property and Equipment

Property and equipment with a cost of \$1,000 or more and an estimated useful life of greater than one year are capitalized at cost. Depreciation and amortization are recorded on the straight-line method over the estimated useful lives of the assets.

Amsterdam House Continuing Care Retirement Community, Inc.

Notes to Financial Statements

December 31, 2018 and 2017

Long-Lived Asset Impairment

AHCCRC, Inc. evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended December 31, 2018 and 2017.

Contract Liability

Contract liabilities represent AHCCRC, Inc.'s obligation to provide services to residents when consideration has already been received from the resident, and represent the non-refundable portion of resident entrance fees.

Significant changes in contract liabilities during 2018 are as follows:

Balance, beginning of year	\$ 26,594,491
Effects of:	
Revenue recognized from amortization of nonrefundable entrance fees	(5,273,009)
Transfers to nonrefundable entrance fees	<u>5,486,931</u>
Balance, end of year	<u>\$ 26,808,413</u>

Refund Liability

The consideration AHCCRC, Inc. has received from residents for which it does not expect to be entitled is recorded as a refund liability, as further discussed in *Notes 6 and 7*.

Bond Issuance

Bond issuance costs are reflected as a reduction of the carrying amount of the related debt, and are amortized on the effective interest method over the term of the related debt. Amortization of bond issuance costs is included in interest expense.

Amsterdam House Continuing Care Retirement Community, Inc.

Notes to Financial Statements

December 31, 2018 and 2017

Future Service Obligation

In accordance with GAAP, if the advance and periodic fees that are charged to continuing care residents are insufficient to meet the costs of providing future services and the use of the facilities to those residents, AHCCRC, Inc. records a liability based on actuarial assumptions on estimates of future costs and revenues and on historical experience and statistical data. The determination of whether a liability should be reported is made on an annual basis. If it is determined that such a liability should be recorded, it is equal to the present value of future net cash outflows minus the balance of unamortized deferred revenues, plus unamortized costs of acquiring the related initial continuing-care contracts plus allocable depreciation of facilities to be charged related to the contracts. Cash inflows include revenue contractually committed to support the residents and monthly fees. Cash outflows include operating expenses, including interest expense and excluding selling, general and administrative expenses. Anticipated increases in revenues and expenses are included in estimating cash flows associated with providing services to continuing care residents. At December 31, 2018 and 2017, AHCCRC, Inc. recognized a future service obligation of \$34,313,000 and \$40,514,000, respectively. This obligation was calculated using a discount rate of 5.5 percent for both years. The change in the future service obligation is recognized on the statements of operations and changes in net assets as a future service obligation adjustment. Adjustments for the years ended December 31, 2018 and 2017 were \$6,201,000 and \$878,000, respectively.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions.

Resident and Patient Services

In 2017, resident and patient services are reported at the estimated net realizable amounts from residents, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Resident and patient services are recognized on a monthly or daily basis as AHCCRC, Inc. provides services to residents and patients. Revenue is reported at the amount of consideration which AHCCRC, Inc. expects to be entitled in exchange for providing residential and health care services. AHCCRC, Inc. determines the transaction price based on standard charges for goods and services provided minus any implicit price concessions. Fees are recognized as revenue in the related month of occupancy.

Amsterdam House Continuing Care Retirement Community, Inc.

Notes to Financial Statements December 31, 2018 and 2017

AHCCRC, Inc. signed an agreement with the New York State Department of Health in connection with Universal Settlement, which provides additional reimbursement in lieu of any outstanding rate appeals for the skilled nursing facility beds. Notification has been provided indicating that the facility will receive \$444,186 over five years. Said amounts may be offset by legal fees and may be subject to additional approvals. The financial statements include \$88,837 of income in accordance with the settlement for both the years ended December 31, 2018 and 2017.

Deficiency of Revenues Over Expenses

The statements of operations and changes in net assets include a deficiency of revenues over expenses. Changes in net assets without donor restrictions which are excluded from the deficiency of revenues over expenses, consistent with industry practice, include change in unrealized loss on investments and future service obligation adjustments.

Functional Allocation of Expenses

The costs of providing AHCCRC, Inc.'s programs and other activities have been summarized on a functional basis. Certain costs have been allocated among the program, management and general categories based on the direct expense charged and square footage use.

Income Taxes

AHCCRC, Inc. is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, AHCCRC, Inc. is subject to federal income tax on any unrelated business taxable income.

AHCCRC, Inc. files tax returns in the U.S. federal jurisdiction.

Subsequent Events

Subsequent events have been evaluated through January 23, 2020, which is the date the financial statements were issued.

Amsterdam House Continuing Care Retirement Community, Inc.

Notes to Financial Statements December 31, 2018 and 2017

Note 2: Change in Accounting Principles

Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities

In 2018, AHCCRC, Inc. adopted ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. A summary of the changes is as follows:

A summary of the changes by financial statement area is as follows:

Balance sheet:

- The balance sheet distinguishes between two new classes of net assets – those with donor-imposed restrictions and those without. This is a change from the previously required three classes of net assets – unrestricted, temporarily restricted and permanently restricted.

Statement of operations and changes in net assets:

- Expenses are reported by both nature and function in one location.
- Investment income is shown net of external and direct internal investment expenses. There is no longer a requirement to include a disclosure of those netted expenses.

Notes to the financial statements:

- Enhanced quantitative and qualitative disclosures provide additional information useful in assessing liquidity and cash flows available to meet operating expenses for one year from the date of the balance sheet.

This change had no impact on previously reported total change in net assets.

Topic 606 Revenue from Contracts with Customers

On January 1, 2018, AHCCRC, Inc. adopted Topic 606, *Revenue from Contracts with Customers* (Topic 606), using a modified-retrospective method of adoption to all contracts with patients at January 1, 2018. The core guidance in Topic 606 is to recognize revenue to depict the transfer of promised goods or services to customers or patients in amounts that reflect the consideration to which AHCCRC, Inc. expects to be entitled in exchange for those goods or services. The amount to which AHCCRC, Inc. expects to be entitled is calculated as the transaction price and recorded as revenue in exchange for providing services to its residents. Adoption of Topic 606 resulted in changes in presentation of the financial statements and related disclosures in the notes to the financial statements. Prior to the adoption of Topic 606, the majority of the provision for doubtful accounts related to residents without insurance, as well as co-pays, co-insurance and deductibles for residents with insurance. Under Topic 606, the estimated amounts due from residents for which AHCCRC, Inc. does not expect to be entitled or collect from the patients, that is not due to credit risk, are considered implicit price concessions and excluded from AHCCRC, Inc.'s estimation of the transaction price or revenue recorded.

Amsterdam House Continuing Care Retirement Community, Inc.

Notes to Financial Statements

December 31, 2018 and 2017

The adoption had no impact on deficiency of revenues over expenses, overall change in net assets or net cash provided by operating activities.

ASU 2016-18 Statement of Cash Flows (Topic 230): Restricted Cash

In 2018, AHCCRC, Inc. changed its method of accounting for restricted cash and restricted cash equivalents by early adopting the provisions of Accounting Standards Update No. 2016-18 (ASU 2016-18), *Statement of Cash Flows (Topic 230): Restricted Cash*. The new accounting guidance in ASU 2016-18 requires balances generally described as restricted cash or restricted cash equivalents to be included with cash and cash equivalents when reconciling beginning and end of the period balances on the statement of cash flows. This change was applied retrospectively to all periods presented which resulted in the following changes within the statement of cash flows:

	December 31, 2017		
	As Previously Reported	As Adjusted	Adoption Impact
Change in security deposits	\$ -	\$ (70,370)	\$ (70,370)
Net cash provided by operating activities	3,627,472	15,474,998	11,847,526
Change in assets limited as to use	6,128,591	(1,160,300)	(7,288,891)
Net cash provided (used) by investing activities	5,088,623	(2,200,268)	(7,288,891)
Change in cash, cash equivalents restricted cash and restricted cash equivalents	478,341	(6,880,920)	(7,359,261)
Cash, cash equivalents, restricted cash and restricted cash equivalents, beginning of year	2,048,803	29,121,445	27,072,642
Cash, cash equivalents, restricted cash and restricted cash equivalents, end of year	2,527,144	22,240,525	19,713,381

Note 3: Resident and Patient Services

Resident service revenue is the amount that reflects the consideration to which AHCCRC, Inc. expects to be entitled to in exchange for standing ready to provide services to the life care residents. The entrance fee is comprised of refundable and nonrefundable amounts based upon the established contract. The non-refundable portion of the entrance payment is recognized straight line over the expected life of the resident(s), which is when the performance obligations are satisfied. The monthly service fees are billed monthly and are recognized as performance obligations are satisfied.

Amsterdam House Continuing Care Retirement Community, Inc.

Notes to Financial Statements

December 31, 2018 and 2017

Patient care service revenue is reported at the amount that reflects the consideration to which AHCCRC, Inc. expects to be entitled to in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and governments programs) and others and includes variable consideration for potential retroactive revenue adjustments due to settlement of audits, reviews and investigations. Generally, AHCCRC, Inc. bills the patients and third-party payors for the length of stay as per the patients' health plan. Patient accounts receivable are due in full when billed. Revenue is recognized as performance obligations are satisfied.

Performance Obligations

Performance obligations are determined based on the nature of the services provided by AHCCRC, Inc. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected or actual charges. AHCCRC, Inc. believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. AHCCRC, Inc. measures performance obligations for resident service revenue from admission to the health center to the point when it is no longer required to provide services to that resident, which is generally at the time of discharge. AHCCRC, Inc. measures performance obligations for resident service revenue and resident fees revenue as a series of distinct services that are considered one performance obligation which is satisfied over time.

Transaction Price

AHCCRC, Inc. determines the transaction price based on standard charges for goods and services provided, reduced by explicit price concessions which consist of contractual adjustments provided to third-party payors. AHCCRC, Inc. determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies and historical experience. AHCCRC, Inc. determines its estimate of implicit price concessions based on its historical collection experience with this class of residents.

Third-Party Payors

Agreements with third-party payors typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

Medicare: Services rendered to Medicare program beneficiaries for skilled nursing are reimbursed under a prospective methodology and no additional settlement will be made on the difference between the per diem rates paid and actual cost.

Medicaid: Commencing January 2012, nursing facility rates are based on statewide price, utilizing the 2007 RHCF cost report data, adjusted facility-specific and regional labor factors, as well as facility specific Medicaid case mix. The facility-specific case mix at July 1, 2017 was utilized for the January 1, 2018 through June 30, 2018 rates. The facility-specific case mix at January 1, 2018 was utilized for the July 1, 2018 through December 31, 2018 rates.

Other: Payment agreements with certain commercial insurance carriers and health maintenance organizations provide for payment using prospectively determined rates per day.

Amsterdam House Continuing Care Retirement Community, Inc.

Notes to Financial Statements

December 31, 2018 and 2017

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation and review of submitted cost reports. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Management believes that any potential adjustments would be immaterial. Compliance with such laws and regulations may also be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge AHCCRC, Inc.'s compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon AHCCRC, Inc. In addition, the contracts AHCCRC, Inc. has with commercial payors also provide for retroactive audit and review of claims.

Patient Payors

Generally, residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. AHCCRC, Inc. bills the residents for all known deductibles and coinsurance and is part of the overall transaction price. Certain fees related to skilled nursing care are reduced for implicit price concessions.

Revenue Composition

AHCCRC, Inc. has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the following factors:

- Payors (for example, Medicare or other insurance, patient) have different reimbursement and payment methodologies
- AHCCRC, Inc.'s line of business that provided the service (for example, nursing home inpatient, outpatient rehabilitation, independent living and assisted living, etc.)
- Substantially, all revenues are recognized over time

Amsterdam House Continuing Care Retirement Community, Inc.

Notes to Financial Statements December 31, 2018 and 2017

The composition of resident and client fee revenue by primary payor and service line for the year ended December 31, 2018 is as follows:

	Independent Living (Monthly)	Assisted Living and Memory Support (Monthly)	Skilled Nursing (Per Diem)	Total
Medicare	\$ -	\$ -	\$ 3,622,744	\$ 3,622,744
Medicaid	-	-	469,539	469,539
HMO	-	-	105,448	105,448
Hospice	-	-	376,116	376,116
Private	13,113,049	2,380,929	1,223,882	16,717,860
	<u>\$ 13,113,049</u>	<u>\$ 2,380,929</u>	<u>\$ 5,797,729</u>	<u>\$ 21,291,707</u>

Revenue from patient deductibles and coinsurance are included in the categories presented above based on the primary payor.

For the year ended December 31, 2017, resident and patient revenues, net of contractual allowances and discounts, include third-party payors of \$4,630,471 and self-pay of \$17,008,133.

Financing Component

AHCCRC, Inc. has refundable and nonrefundable components of its entrance fees. However, there is no financing component involved for its residential or health care services. For other revenues AHCCRC, Inc. has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from customers and third-party payors for the effects of a significant financing component due to AHCCRC, Inc.'s expectation that the period between the time the service is provided to a customer and the time that the customer or a third-party payor pays for that service will be one year or less.

Contract Costs

AHCCRC, Inc. has applied the practical expedient provided by FASB ASC 340-40-25-4 and all incremental customer contract acquisition costs are expensed as they are incurred, as the amortization period of the asset that AHCCRC, Inc. otherwise would have recognized is one year or less in duration. However, incremental costs incurred to obtain customer contracts for which the amortization period of the asset that AHCCRC, Inc. otherwise would have recognized is longer than one year are capitalized and amortized over the life of the contract based on the pattern of revenue recognition from these contracts. AHCCRC, Inc. regularly evaluates its customer contract costs and considers whether they should be capitalized over the life of the contract. These amounts are not considered to be significant to the overall financial statements and are expensed as incurred since they have a minimal effect on operations.

Amsterdam House Continuing Care Retirement Community, Inc.

Notes to Financial Statements

December 31, 2018 and 2017

Note 4: Fair Value Measurements and Disclosures

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying balance sheet measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2018 and 2017:

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2018				
Certificates of deposit	\$ 7,725,807	\$ -	\$ 7,725,807	\$ -
Municipal bonds	544,268	-	544,268	-
Government bonds	295,056	-	295,056	-
Corporate bonds	24,777	-	24,777	-
	<u>\$ 8,589,908</u>	<u>\$ -</u>	<u>\$ 8,589,908</u>	<u>\$ -</u>
2017				
Certificates of deposit	\$ 7,263,013	\$ -	\$ 7,263,013	\$ -
Municipal bonds	544,385	-	544,385	-
Corporate bonds	424,522	-	424,522	-
	<u>\$ 8,231,920</u>	<u>\$ -</u>	<u>\$ 8,231,920</u>	<u>\$ -</u>

Amsterdam House Continuing Care Retirement Community, Inc.

Notes to Financial Statements

December 31, 2018 and 2017

Assets Limited as to Use

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. There are no Level 3 securities at December 31, 2018 and 2017.

Note 5: Accounts Receivable

The mix of receivables for the years ended December 31 are:

Accounts receivable consist of the following for the years ended December 31:

	2018	2017
Medicare	56%	42%
Medicaid	3%	6%
Co-insurance	8%	17%
Hospice	7%	19%
Private and other	26%	16%
	<u>100%</u>	<u>100%</u>

Amsterdam House Continuing Care Retirement Community, Inc.

Notes to Financial Statements December 31, 2018 and 2017

Note 6: Entrance Fees

AHCCRC, Inc. recognizes revenue for resident services in the period earned, which includes amortization of the nonrefundable portion of entrance fees. Entrance fees are paid by residential unit residents as they take occupancy of their reserved units. Of this entrance fee, a portion is nonrefundable and is recorded as a contract liability and amortized over the estimated remaining life expectancy of the resident. The remaining life expectancy is re-evaluated annually and amortization periods are adjusted accordingly. Nonrefundable entrance fees were \$26,808,413 and \$26,594,491 at December 31, 2018 and 2017, respectively. The remaining portion of the entrance fee is refundable to the resident (or appointed estate) upon vacancy from AHCCRC, Inc. or expiration of the resident. This portion of the entrance fee will be refunded upon the earlier of one year after termination of the agreement or once the vacated unit has been occupied by another resident. Pending refunds due for units reoccupied at December 31, 2018 and 2017 were \$2,848,614 and \$1,174,665, respectively. Additionally, refunds due within 12 months at December 31, 2018 and 2017 were \$1,959,131 and \$5,091,262, respectively. These refunds due within 12 months will be funded from entrance receipts when the vacated unit is reoccupied or from operations if the unit has not yet been reoccupied within one year of termination. Refundable entrance fees not yet due back to residents at December 31, 2018 and 2017 were \$153,464,111 and \$148,592,569, respectively. AHCCRC, Inc. offers multiple contract options to residents with varying entrance fee refundability levels. Pursuant to Article 46 of the New York Public Health Law, any resident terminating the agreement within the first 90 days of occupancy receives a 100 percent refund of the entrance fee paid. Entrance fees that are due but not yet paid as of year-end are recorded as entrance fees receivable. Entrance fees receivable as of December 31, 2018 and 2017 were \$1,808,939 and \$0, respectively. Promissory notes are accepted by AHCCRC, Inc. for unpaid balances. The notes are interest-free for the first three months in 2018 and the first six months in 2017 and then accrue at the greater of 6 percent or the prime rate plus 2 percent, which was 7.50 percent and 6.50 percent at December 31, 2018 and 2017, respectively. The notes are due twelve months after issuance but can be extended if needed.

Entrance fees received in cash, net of refunds, other than initial entrance fees for the years ended December 31, 2018 and 2017 were \$5,417,402 and \$11,377,592, respectively.

Note 7: Conversion and Wait List Deposits Refundable

Conversion deposits refundable represent deposits made by potential residents based on ten percent of the value of the residential unit. Wait list deposits represent deposits made to provide a potential resident priority for reserving an independent living unit that is currently sold-out. Prior to occupancy in the Community, these deposits are fully refundable, with interest accruing to the depositors. They have been segregated in an interest-bearing escrow account on behalf of each potential resident. There was \$345,893 and \$425,957 of conversion and wait list deposits refundable as of December 31, 2018 and 2017, respectively.

Amsterdam House Continuing Care Retirement Community, Inc.

Notes to Financial Statements December 31, 2018 and 2017

Note 8: Assets Limited As To Use

Assets limited as to use consist of:

	2018	2017
Current portion		
Revenue fund	\$ 2,031,054	\$ 1,301,027
Entrance fee fund*	3,168,173	368,064
Operating reserve fund	3,771,097	10,732,320
Redemption fund	775	1,445,402
Interest and principal payment account	6,707,623	5,055,970
Conversion and wait list deposits	356,641	426,283
Assets limited as to use - current portion	16,035,363	19,329,066
Noncurrent portion		
Debt service reserve funds	8,603,300	8,508,985
Assets limited as to use, total	<u>\$ 24,638,663</u>	<u>\$ 27,838,051</u>

	2018	2017
Cash	\$ 3,737,794	\$ 669,330
Money markets	12,310,961	18,936,801
Certificates of deposit	7,725,807	7,263,013
Municipal bonds	544,268	544,385
Government bonds	295,056	-
Corporate bonds	24,777	424,522
Total	<u>\$ 24,638,663</u>	<u>\$ 27,838,051</u>

The funds maintained by the trustee have been established in accordance with the debt indenture agreement to provide for specific costs of the project interest costs on the bonds, and to cover cash flow shortfalls.

* Balance includes cash of \$68,267 as of December 31, 2018 and \$243,048 as of December 31, 2017, which will be transferred to the entrance fee fund account.

Amsterdam House Continuing Care Retirement Community, Inc.

Notes to Financial Statements December 31, 2018 and 2017

Note 9: Property and Equipment

Property and equipment at December 31, 2018 and 2017 consist of the following:

	2018	2017	Estimated Useful Lives
Land	\$ 22,353,895	\$ 22,353,895	
Land improvements	8,619,780	8,619,780	20 years
Building and improvements	221,480,007	221,162,306	5-40 years
Vehicles	230,967	230,967	5 years
Equipment	2,457,562	2,245,807	10-15 years
Furniture and fixtures	3,186,157	3,183,512	10 years
Computer equipment and software	564,642	557,883	3 years
Construction in progress	157,818	144,872	
	259,050,828	258,499,022	
Less accumulated depreciation and amortization	(54,095,038)	(47,373,630)	
	<u>\$ 204,955,790</u>	<u>\$ 211,125,392</u>	

Note 10: Long-Term Debt

On December 20, 2007, Nassau County Industrial Development Agency issued \$296,395,000 Series 2007A through 2007D fixed, adjustable and variable rate revenue bonds on behalf of AHCCRC, Inc.

In November 2014, 75 percent of the outstanding Series 2007 Bonds were exchanged for the Series 2014A and 2014B Bonds and 25 percent of the outstanding Series 2007 Bonds were exchanged for the Series 2014C Bonds.

The Series 2014A Bonds bear interest at rates from 5.875 percent to 6.700 percent depending on the maturity, with a final maturity date of January 1, 2049. Interest is payable semiannually on each January 1 and July 1 commencing January 1, 2015. The 2014A Bonds shall be subject to mandatory sinking fund redemptions annually beginning on January 1, 2019.

\$23,842,500 of the Series 2014B bonds bear interest at 5.500 percent per annum with a final maturity date of July 1, 2020. Interest is payable semiannually on each January 1 and July 1 commencing January 1, 2015. The 2014B Bonds shall be subject to mandatory redemption on the first business day of each January, April, July and October from available Entrance Fees.

Amsterdam House Continuing Care Retirement Community, Inc.

Notes to Financial Statements

December 31, 2018 and 2017

\$59,537,660 of the 2014C Bonds bear interest at a rate of 2.000 percent per annum. Interest shall be payable semiannually on each January 1 and July 1, but only from Excess Cash available as defined in the bond document. If the Excess Cash is not sufficient to pay interest, the unpaid interest shall be added to the principal amount of the 2014C Bonds. The unpaid interest and principal outstanding on the 2014C Bonds as of December 31, 2018 and 2017 was \$64,642,676 and \$63,368,960, respectively. The 2014C Bonds are subject to mandatory redemption if there is Excess Cash.

The following is a summary of long-term debt at December 31, 2018 and 2017:

Nassau County Industrial Development Agency Continuing Care Retirement Community Revenue Bonds (Amsterdam at Harborside Project):

	<u>2018</u>	<u>2017</u>
<u>Series 2014A Fixed Rate Revenue Bonds</u>		
• 5.875 percent, due January 1, 2023	\$ 6,255,000	\$ 6,255,000
• 6.500 percent, due January 1, 2032	21,123,750	21,123,750
• 6.500 percent, due January 1, 2034	6,375,000	6,375,000
• 6.700 percent, due January 1, 2049	95,910,000	95,910,000
• 6.700 percent, due January 1, 2049	11,921,250	11,921,250
 <u>Series 2014B Fixed Rate Revenue Bonds</u>		
• 5.500 percent, due July 1, 2020	6,104,913	7,550,315
 <u>Series 2014C Excess Cash Flow Revenue Bonds</u>		
• 2.000 percent, due January 1, 2049	<u>59,537,660</u>	<u>59,537,660</u>
 Total principal	207,227,573	208,672,975
 Accrued interest payable on the Series 2014C Bonds	5,105,016	3,831,300
 Debt issuance costs	<u>(4,894,007)</u>	<u>(5,112,225)</u>
 Total long-term debt and accrued interest	<u>\$ 207,438,582</u>	<u>\$ 207,392,050</u>

Anticipated principal payments are as follows:

2019	\$ 1,542,458
2020	7,739,010
2021	1,731,187
2022	1,834,055
2023	1,943,043
Thereafter	<u>197,542,836</u>
	<u>\$ 212,332,589</u>

Amsterdam House Continuing Care Retirement Community, Inc.

Notes to Financial Statements December 31, 2018 and 2017

AHCCRC, Inc. incurred \$5,840,857 of bond issuance costs in connection with the bonds closing. At December 31, 2018 and 2017, unamortized bond issuance costs based on an effective interest rate of 0.11% were \$4,894,007 and \$5,112,225, respectively.

Interest expense for the year ended December 31, 2018 was \$11,207,403, which includes \$218,218 of amortization of debt issuance costs.

Interest expense for the year ended December 31, 2017 was \$11,472,109, which includes \$222,812 of amortization of debt issuance costs.

On January 22, 2020, at the direction of the holders of a majority of the principal amount of the Bonds, pursuant to a Waiver Agreement, UMB Bank, N.A. (as Trustee) waived the Event of Defaults resulting from the failure of AHCCRC, Inc. to (i) maintain a Debt Service Coverage Ratio of at least 1 times for the year ended December 31, 2018, (ii) meet its Liquidity Covenant for the two consecutive testing periods of December 31, 2018 and June 30, 2019 and (iii) maintain at least 130 Days Cash on Hand.

In addition, on January 22, 2020, the Installment Sale Agreement with Nassau County Industrial Agency was amended to (i) reduce the Liquidity Covenant's Days Cash on Hand requirement to (a) 45 Days Cash on Hand at December 31, 2019, March 31, 2020 and June 30, 2020, (b) 65 Days Cash on Hand at September 30, 2020, (c) 90 Days Cash on Hand at December 31, 2020 and (d) 130 Days Cash on Hand for each quarter thereafter; and (ii) confirm the requirement of AHCCRC, Inc. to set aside one-twelfth (1/12) of the principal on the Series 2014A Bonds, coming due on the next succeeding January 1 and commencing July 1, 2019, one-twelfth (1/12) of the principal on the Series 2014B Bonds coming due on July 1, 2020.

Note 11: Subvention Certificate to Amsterdam Continuing Care Health System, Inc.

There is a \$3,000,000 subvention certificate between the Health System and AHCCRC, Inc. which was partially financed by a subvention of \$2,267,600 from Amsterdam Nursing Home Corporation (1992) and \$657,800 from the Health System. This was fully reserved by both Amsterdam Nursing Home Corporation (1992) and the Health System in 2010. Pursuant to the terms of the Subvention Certificate, interest accrues on the outstanding balance at a rate of prime plus 300 basis points annually. The rate at December 31, 2018 and 2017 was 8.50 percent and 7.50 percent, respectively. Interest expense on the subvention for the years ended December 31, 2018 and 2017 was \$237,813 and \$213,750, respectively. As of December 31, 2018 and 2017, \$3,342,404 and \$3,104,592, respectively, of simple interest has been accrued to record interest since inception, which includes capitalized interest of \$1,694,592.

Amsterdam House Continuing Care Retirement Community, Inc.

Notes to Financial Statements December 31, 2018 and 2017

Note 12: Functional Expenses

Expenses are functionalized as follows:

	2018		
	Program Services - Resident Care	Supporting Services	Total
Salaries and wages	\$ 4,578,137	\$ 625,955	\$ 5,204,092
Payroll taxes and employee benefits	1,625,476	221,010	1,846,486
Contracted services	5,866,600	2,010,970	7,877,570
Supplies and other	5,326,610	561,235	5,887,845
Interest	11,207,298	237,813	11,445,111
Depreciation and amortization	6,732,640	1,016,940	7,749,580
Total expenses	<u>\$ 35,336,761</u>	<u>\$ 4,673,923</u>	<u>\$ 40,010,684</u>

Note 13: Pension

AHCCRC, Inc. has a defined contribution plan covering substantially all full time employees after two years of service. Pension expense was \$123,570 and \$101,271 for the years ended December 31, 2018 and 2017, respectively.

Note 14: Commitments and Contingencies

Administrative Services Agreement

AHCCRC, Inc. entered into an administrative services agreement with Amsterdam Services Corp. (ASC), an affiliate of AHCCRC, Inc., dated March 31, 2004. On July 14, 2008, the contract was assigned to Amsterdam Consulting, LLC (LLC). The terms of the contract did not change. Pursuant to the administrative services agreement, LLC will (i) furnish advisory and consulting services with respect to the skilled nursing center; (ii) provide financial services in connection with the day-to-day management and administration of the accounting and finance department; and (iii) issue progress reports to AHCCRC, Inc. as the Board of Directors may direct. LLC will be responsible for the cost of the personnel who supply administrative and fiscal advisory and consulting services to AHCCRC, Inc.

The commencement date of the contract was March 1, 2010 for an initial period of five years. In October 2015, AHCCRC, Inc. and LLC entered into a second amendment to the agreement revising the terms to be automatically renewed for successive one-year terms.

Amsterdam House Continuing Care Retirement Community, Inc.

Notes to Financial Statements December 31, 2018 and 2017

For services performed under this agreement, administrative services fees of \$323,733 and \$438,478 is included in management fees for the years ended December 31, 2018 and 2017, respectively. The annual administrative services fee may increase annually by an amount not to exceed the increase in the Consumer Price Index for All Urban Consumers (medical care index).

Financial Services Advisory Agreement

AHCCRC, Inc. entered into a financial services advisory agreement with Greystone Management Services Company, LLC (GMSC) effective September 1, 2014 for a period of sixty months. Under the agreement, GMSC will advise AHCCRC, Inc. in the financial management of the Community. As compensation for services rendered pursuant to the financial services advisory agreement, AHCCRC, Inc. will pay a monthly fee of \$20,000 per month. Effective April 1, 2017 through the remaining term of the agreement, the monthly fee was reduced to \$17,500. On each anniversary of the original effective date, the fee shall be adjusted for inflation by a percentage amount equivalent to the New York State trend factor. There shall be no downward adjustments in the fee based on this calculation. GMSC will be reimbursed for reasonable travel and out-of-pocket costs in connection with the performance of its duties under the agreement and also overhead expenses equal to 3.5 percent of the services fee. GMSC as financial services advisor shall act as an independent contractor in the performance of its obligations under the agreement. Financial services fees of \$221,117 and \$227,151 are included in management fees for the years ended December 31, 2018 and 2017, respectively.

Marketing Advisory Services Agreement

AHCCRC, Inc. entered into a marketing advisory services agreement with GCD New York, LLC (GCD), an affiliate of GMSC, in November 2014. GCD is responsible for developing and implementing a marketing plan and marketing the independent living units. Services began in October 2015 when occupancy of the independent living units first achieved 90 percent and end August 31, 2019. Pursuant to the agreement, GCD is paid a services fee of \$10,000 upon occupancy of each independent living unit. Effective April 1, 2017 the terms of the agreement were amended and GCD is now paid \$9,000 upon occupancy of each independent living unit. GCD charges an administrative fee of 3.5 percent of total fees and is also reimbursed for reimbursable expenses. Services fees of \$251,505 and \$168,705 are included in management fees for the years ended December 31, 2018 and 2017, respectively.

General Litigation

AHCCRC, Inc. may be subject to claims and lawsuits that arise primarily in the ordinary course of its activities. AHCCRC, Inc. evaluates such allegations by conducting investigations to determine the validity of each potential claim. It is the opinion of management the disposition or ultimate resolution of any claims and lawsuits will not have a material adverse effect on the balance sheets, change in net assets and cash flows of AHCCRC, Inc. Events could occur that would change this estimate materially in the near term.

Amsterdam House Continuing Care Retirement Community, Inc.

Notes to Financial Statements

December 31, 2018 and 2017

Note 15: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2018 and 2017, comprise the following:

	<u>2018</u>	<u>2017</u>
Financial assets at year end		
Cash and cash equivalents	\$ 1,628,122	\$ 2,527,144
Accounts receivable	903,111	708,746
Entrance fees receivable	1,808,939	-
Assets limited as to use		
Revenue fund	2,031,054	1,301,027
Operating reserve fund	<u>3,771,097</u>	<u>10,732,320</u>
Financial assets available to meet general expenditures within one year	<u>\$ 10,142,323</u>	<u>\$ 15,269,237</u>

AHCCRC, Inc. manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. To achieve these targets, AHCCRC, Inc. forecasts its future cash flows and monitors its liquidity monthly, and monitors its reserves annually.

Note 16: Financial Status

The change in net assets without donor restrictions for the year in the accompanying financial statements for AHCCRC, Inc. reflects a loss from operations in addition to a cumulative net assets deficit.

Amsterdam House Continuing Care Retirement Community, Inc.

Notes to Financial Statements December 31, 2018 and 2017

The financial statements are prepared on the accrual basis in accordance with GAAP. AHCCRC, Inc., operates on the basis of cash inflows and outflows as defined in the 2014 Bond documents. The 2014 Bond documents allow for certain liquidity provisions. During each month, all cash receipts (other than entrance fees) are transferred to the Trustee-held Revenue fund. On the first business day of each month, the amounts in the Revenue fund are transferred by the Trustee in the following order of priority (Distribution Waterfall): 1) to the Operating account to fund up to 45 days' cash, 2) to the Series A and Series B Debt service accounts to pay 1/6 of the interest on the Series A and B Bonds, 3) to the Series A and Series B Debt service accounts to pay 1/12 principal (if applicable) on the Series A or B Bonds, 4) to the Operating reserve to replenish up to 130 days cash on hand, 5) to the Debt service reserve fund to replenish up to required levels, and 6) any remaining amounts shall be transferred as follows until the Operating account is funded up to 250 days' cash on hand: (i) 50 percent to the Operating account and (ii) 50 percent to the Series C Debt service account or the Series C Redemption account to pay Series C accrued interest and principal. Once the Operating account has been funded up to 250 days' cash on hand, 100 percent of the excess cash is transferred to the Series C Debt service account or the Series C Redemption account to pay Series C accrued interest and principal.

Additionally, while any Series B Bonds are outstanding, all entrance fees received are transferred to the Trustee-held Entrance fee fund during the month. On the first business day of each month, the funds in the Entrance fee fund are applied as follows: 1) to pay refunds owed, 2) to fund the operating account and Operating reserve up to 175 days, and 3) to redeem Series B Bonds. After the Series B Bonds have been redeemed, the entrance fees are transferred to the Revenue fund.

Management has evaluated the projected cash requirements for the next year as well as the next three years. Based on budgeted cash flows, management believes AHCCRC, Inc. has the ability to meet its financial obligations through operating cash flow for a period of well in excess of one year from the date the financial statements are issued.

ENVIRONMENTAL ASSESSMENT FORM

Short Environmental Assessment Form

Part 1 - Project Information



Instructions for Completing

Part 1 – Project Information. The applicant or project sponsor is responsible for the completion of Part 1. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification. Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information.

Complete all items in Part 1. You may also provide any additional information which you believe will be needed by or useful to the lead agency; attach additional pages as necessary to supplement any item.

Part 1 – Project and Sponsor Information							
Amsterdam House Continuing Care Retirement Community, Inc.							
Name of Action or Project: Bond Restructuring							
Project Location (describe, and attach a location map): 300 E. Overlook Drive, Port Washington, NY 11050							
Brief Description of Proposed Action: Restructuring of 2014 bonds issued by Nassau County IDA							
Name of Applicant or Sponsor: Amsterdam House Continuing Care Retirement Community, Inc.		Telephone: 212 316-7711					
		E-Mail: jdavis@amsterdamnh.org					
Address: 300 E. Overlook Drive							
City/PO: Port Washington		State: New York	Zip Code: 11050				
1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation? If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2.			<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">NO</td> <td style="text-align: center;">YES</td> </tr> <tr> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	NO	YES	<input checked="" type="checkbox"/>	<input type="checkbox"/>
NO	YES						
<input checked="" type="checkbox"/>	<input type="checkbox"/>						
2. Does the proposed action require a permit, approval or funding from any other government Agency? If Yes, list agency(s) name and permit or approval: Nassau County IDA			<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">NO</td> <td style="text-align: center;">YES</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> </table>	NO	YES	<input type="checkbox"/>	<input checked="" type="checkbox"/>
NO	YES						
<input type="checkbox"/>	<input checked="" type="checkbox"/>						
3. a. Total acreage of the site of the proposed action? 8.9 acres b. Total acreage to be physically disturbed? 0 acres c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor? 8.9 acres							
4. Check all land uses that occur on, are adjoining or near the proposed action: <input type="checkbox"/> Urban <input type="checkbox"/> Rural (non-agriculture) <input type="checkbox"/> Industrial <input type="checkbox"/> Commercial <input checked="" type="checkbox"/> Residential (suburban) <input type="checkbox"/> Forest <input type="checkbox"/> Agriculture <input type="checkbox"/> Aquatic <input type="checkbox"/> Other(Specify): <input checked="" type="checkbox"/> Parkland							

5. Is the proposed action,	NO	YES	N/A
a. A permitted use under the zoning regulations?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. Consistent with the adopted comprehensive plan?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Is the proposed action consistent with the predominant character of the existing built or natural landscape?	NO	YES	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
7. Is the site of the proposed action located in, or does it adjoin, a state listed Critical Environmental Area?	NO	YES	
If Yes, identify: _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
8. a. Will the proposed action result in a substantial increase in traffic above present levels?	NO	YES	
b. Are public transportation services available at or near the site of the proposed action?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
c. Are any pedestrian accommodations or bicycle routes available on or near the site of the proposed action?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
9. Does the proposed action meet or exceed the state energy code requirements?	NO	YES	
If the proposed action will exceed requirements, describe design features and technologies: n/a - restructuring of existing debt	<input type="checkbox"/>	<input type="checkbox"/>	
10. Will the proposed action connect to an existing public/private water supply?	NO	YES	
If No, describe method for providing potable water: _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
11. Will the proposed action connect to existing wastewater utilities?	NO	YES	
If No, describe method for providing wastewater treatment: _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
12. a. Does the project site contain, or is it substantially contiguous to, a building, archaeological site, or district which is listed on the National or State Register of Historic Places, or that has been determined by the Commissioner of the NYS Office of Parks, Recreation and Historic Preservation to be eligible for listing on the State Register of Historic Places?	NO	YES	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
b. Is the project site, or any portion of it, located in or adjacent to an area designated as sensitive for archaeological sites on the NY State Historic Preservation Office (SHPO) archaeological site inventory?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
13. a. Does any portion of the site of the proposed action, or lands adjoining the proposed action, contain wetlands or other waterbodies regulated by a federal, state or local agency?	NO	YES	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
b. Would the proposed action physically alter, or encroach into, any existing wetland or waterbody?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
If Yes, identify the wetland or waterbody and extent of alterations in square feet or acres: _____			

14. Identify the typical habitat types that occur on, or are likely to be found on the project site. Check all that apply:		
<input type="checkbox"/> Shoreline <input type="checkbox"/> Forest <input type="checkbox"/> Agricultural/grasslands <input type="checkbox"/> Early mid-successional <input type="checkbox"/> Wetland <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban		
15. Does the site of the proposed action contain any species of animal, or associated habitats, listed by the State or Federal government as threatened or endangered?	NO	YES
	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16. Is the project site located in the 100-year flood plan?	NO	YES
	<input checked="" type="checkbox"/>	<input type="checkbox"/>
17. Will the proposed action create storm water discharge, either from point or non-point sources?	NO	YES
If Yes,	<input checked="" type="checkbox"/>	<input type="checkbox"/>
a. Will storm water discharges flow to adjacent properties?	<input type="checkbox"/>	<input type="checkbox"/>
b. Will storm water discharges be directed to established conveyance systems (runoff and storm drains)?	<input type="checkbox"/>	<input type="checkbox"/>
If Yes, briefly describe:		
<hr/> <hr/>		
18. Does the proposed action include construction or other activities that would result in the impoundment of water or other liquids (e.g., retention pond, waste lagoon, dam)?	NO	YES
If Yes, explain the purpose and size of the impoundment:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<hr/> <hr/>		
19. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility?	NO	YES
If Yes, describe:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<hr/> <hr/>		
20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste?	NO	YES
If Yes, describe:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<hr/> <hr/>		
I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE		
Applicant	 Care Retirement Community, Inc. Date: June 18, 2021	
Signature	 Title: President & CEO	

FORM NYS-45

Attach most recent quarterly filing of Form NYS-45 and 45-ATT, as well as the most recent fourth quarter filing. Please remove the employee social security numbers and note which employees are part-time.

Form NYS 45 is redacted in its entirety

OTHER ATTACHMENTS

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
APPLICATION FOR FINANCIAL ASSISTANCE
(BONDS)

Date: June 18, 2021

Applicant: Amsterdam House Continuing Care Retirement Community, Inc.

Background:

Amsterdam House Continuing Care Retirement Community, Inc. ("**Applicant**") requests the assistance of the Nassau County Industrial Development Agency in the form of issuance of two series of bonds (respectively, the "**2021A Bonds**" and the "**2021B Bonds**" and together, the "**2021 Bonds**") for the restructuring of the outstanding Nassau County Industrial Development Agency Continuing Care Retirement Community Fixed Rate Revenue Bonds (Amsterdam at Harborside Project), Series 2014A and Series 2014B (respectively, the "**2014A Bonds**" and the "**2014B Bonds**") and the outstanding Nassau County Industrial Development Agency Continuing Care Retirement Community Excess Cash Flow Revenue Bonds (Amsterdam at Harborside Project), Series 2014C (the "**2014C Bonds**" and with the 2014A and 2014B Bonds, the "**2014 Bonds**"). The 2014 Bonds were issued by the Agency in 2014 for the benefit of Applicant. The 2021A Bonds will be taxable and the 2021B Bonds will be tax-exempt.

The Agency issued the 2014 Bonds in order to restructure the Nassau County Industrial Development Agency Continuing Care Retirement Community Revenue Bonds (Amsterdam at Harborside Project), Series 2007A, Series 2007B and Series 2007C (collectively, the "**2007 Bonds**").

Proceeds of the 2007 Bonds, together with other resources, were used to develop and construct a continuing care retirement community in Port Washington, New York consisting of 229 independent living units, 44 enriched housing units and 56 skilled nursing beds. The continuing care retirement community is licensed by the New York State Department of Health under Article 46 of the New York Public Health Law.

After opening in 2010, Applicant struggled to overcome the economic downturn and the associated turmoil in the real estate market that resulted from the financial crisis and recession of 2008, which hindered the financial success of Applicant's facility. As a result, Applicant and the majority holders of the outstanding 2007 Bonds reached an agreement to restructure Applicant's debt through an exchange of the 2007 Bonds for the 2014 Bonds. This was done following a voluntary bankruptcy commenced by Applicant on July 22, 2014. In accordance with the plan of reorganization approved by the United States Bankruptcy Court for the Eastern District of New York (the "**Bankruptcy Court**"), the Agency issued the 2014 Bonds on November 13, 2014 in exchange for the 2007 Bonds, which were then canceled.

Applicant has continued to struggle financially, and on April 2020 in the midst of the COVID-19 pandemic, Applicant ceased making monthly payments required under the bond documents for the 2014 Bonds. After extensive negotiations with the majority bondholders, the New York State Department of Health and the New York State Department of Financial Services, Applicant and the majority holders of the outstanding 2014 Bonds have reached an agreement to restructure Applicant's debt through an exchange of the outstanding 2014A and 2014B Bonds for 2021B Bonds. In order to accomplish this, and to meet other financial obligations, Applicant commenced a new voluntary bankruptcy proceeding in the Bankruptcy Court on June 14, 2021 (Case No. 21-71095 (AST)). Hon. Alan S. Trust is presiding over the case.

The debt restructuring plan contemplates that, on the effective date, the holders of the Series 2014A and 2014B Bonds will surrender their bonds (in the current aggregate principal amount of \$139,917,130) for a pro rata amount of the new Series 2021B Bonds in a principal amount of \$127,327,200. The Series 2014C Bonds will be cancelled in whole without any payment or consideration.

The restructuring plan further contemplates the issuance by the Agency of 2021A Bonds in the principal amount of \$40,710,000. The proceeds of the 2021A Bonds will be loaned to Applicant to provide funds to (i) pay refunds of entrance fees pursuant to Residency Agreements and applicable New York State law, (ii) fund, together with amounts now held by the trustee for the 2014 Bonds, a debt service reserve fund for the 2021 Bonds, and (iii) provide liquidity.

As part of the restructuring plan, Amsterdam Continuing Care Health System, Inc. ("**System**"), the sole corporate member of Applicant, has agreed to contribute \$9.0 million to Applicant on the date of the issuance of the 2021 Bonds, subject to required approvals. System has also agreed to provide \$9.0 million in liquidity support to Applicant under certain conditions agreed to with the majority holders of the 2014 Bonds. This, too, is subject to required approvals.

Benefits:

Applicant requests financial assistance in the form of taxable and tax-exempt financing and mortgage recording tax exemption (to the extent Applicant is not exempt in its own right). With respect to real estate taxes, the Agency and Applicant are party to a Payment In Lieu of Taxes Agreement, dated as of December 1, 2007, as amended by the First Amendment to Payment In Lieu of Taxes Agreement, dated as of June 1, 2014 (the "**PILOT Agreement**") and the Applicant requests that the Agency allow the continuation of the benefits under that PILOT Agreement without any recapture. The Applicant is exempt from NY State sales tax.

Part I: **D: Principal stockholders, members or partners, if any**

System, a New York not-for-profit corporation, is the sole member of the Applicant with the power to elect the board of directors of the Applicant. However, System does not have the authority to own and operate the continuing care retirement community, licensed under Article 46 of the Public Health Law, which is owned and operated by Applicant.

Part I: **E: Other Entities Related by Virtue of 50% Interest**

Applicant is a New York not-for-profit corporation incorporated on January 30, 2004. The sole member of Applicant is System. Applicant and System have board members in common.

Amsterdam Nursing Home Corporation (1992) ("**ANH**"), a New York not-for-profit corporation which owns and operates a 409-bed skilled nursing facility in upper Manhattan. Applicant and ANH have board members in common.

Amsterdam Services Corp. ("**Services Corp**"), a New York not-for-profit corporation incorporated on July 12, 1996 and an affiliate of Applicant, provides administrative services to Applicant pursuant to an Administrative Services Agreement dated March 31, 2004 which was assigned on July 14, 2008 to Amsterdam Consulting, LLC ("**Consulting Corp**"), a New York limited liability company organized on July 14, 2008. Applicant and Services Corp have board members in common. System is the member of Consulting Corp.

Amsterdam Services Corp. (2001) ("**ASC 2001**") is a New York business corporation incorporated on July 20, 2001. The shares of ASC 2001 are owned by System.

Amsterdam 2012, Inc. ("**Amsterdam 2012**") is a New York not-for-profit corporation incorporated on July 13, 2012. Applicant and Amsterdam 2012 have board members in common.

Part I: **F: Applicant Related to other entity by reason of 50% Common Ownership**

See response to Part I: E above

Part I: **G: List Parent corporation, sister corporations and subsidiaries**

See response to Part I: E above

Part I: **H: Prior Industrial Development Financing**

Nassau County Industrial Development Agency Continuing Care Retirement Community Revenue Bonds (Amsterdam at Harborside Project) consisting of:

Continuing Care Retirement Community Fixed Rate Revenue Bonds (Amsterdam at Harborside Project) Series 2007A

Continuing Care Retirement Community Adjustable Rate Revenue Bonds (Amsterdam at Harborside Project) Series 2007B

Continuing Care Retirement Community Variable Rate Demand Revenue Bonds (Amsterdam at Harborside Project) Series 2007C

Continuing Care Retirement Community Taxable Variable Rate Demand Revenue Bonds (Amsterdam at Harborside Project) Series 2007D

Nassau County Industrial Development Agency:

Continuing Care Retirement Community Fixed Rate Revenue Bonds (Amsterdam at Harborside Project) Series 2014A

Continuing Care Retirement Community Fixed Rate Revenue Bonds (Amsterdam at Harborside Project) Series 2014B

Continuing Care Retirement Community Excess Cash Flow Revenue Bonds (Amsterdam at Harborside Project) Series 2014C

Part I: O: Information on Officers and Directors of Applicant

<u>Name</u>	<u>Title</u>	<u>Other Business Affiliation</u>
The Reverend Canon James G. Callaway, DD	Director	General Secretary, Colleges and Universities of the Anglican Communion
James J. Campbell	Director	
Isabel M. Carden, MBE	Director	Retired
Sylvia Dunsky	Director	Resident of Applicant
R. Scott Edmonds	Director	Emmet, Marvin & Martin
Rhoda Finer	Director	Resident of Applicant
Joseph C. Hoopes, Jr.	Director, Chairman	Hoopes Management Co.
Karen M. Hopkins, M.D.	Director	Clinical Associate Professor of Pediatrics, NYU Langone Medical Center
Jay H. McDowell, Esq.	Director, Secretary	Withers Bergman, LLP
Frances R. Olivieri	Director, V. Chairman	
George L. Van Amson	Director, V. Chairman	Morgan Stanley, Institutional Equity Division
Langdon Van Norden	Director	GreensLedge Capital Markets, LLC
James Davis	President & CEO	ANH, Amsterdam 2012, System, Services Corp, ASC 2001, Consulting Corp
Mark Pancirer	Sr. V. President & CFO	ANH, Amsterdam 2012, System, Services Corp, ASC 2001, Consulting Corp

James Davis is an appointed member of the New York State Continuing Care Retirement Community Council.

Part I: **R: Contractual relationship with Agency or County**

As part of the 2014 financing, the Applicant and Agency are parties to an Installment Sale Agreement and other financing related documents.

Part I: **T: Any Entity Proposed to be a User of the Project**

There are two (2) space leases currently in effect. Classic Hair Care, L.L.C. leases approximately 300 SF for beauty parlor services. Theradynamics Physical Therapy Rehabilitation, P.C. leases approximately 150 SF for physical therapy/rehab services. The nature of these relationships is lessor-lessee.

Part II: **C: Briefly explain why Project is Necessary**

See Background above.

Part II: **E.: Impact of No Agency Assistance**

Restructuring of the existing debt of the Applicant is essential to its ability to continue to serve its charitable mission. In the absence of Agency financing, the restructuring plan proposed to the Bankruptcy Court and endorsed by a majority of the existing bondholders would likely fail.

Part II: **H(a): Current Real Estate Taxes**

Currently, Applicant and the Agency are parties to a PILOT Agreement dated December 1, 2007 and amended June 1, 2014. The obligations of the Applicant under the PILOT Agreement are secured by a mortgage. The Applicant seeks the continuation of the benefits under the existing PILOT Agreement, without Agency enforcement of recapture rights, if any.

Part II: **I: Project Site Ownership Structure**

Legal title to the Project site is held by the Agency, subject to an Installment Sale Agreement with the Applicant dated as of November 1, 2014.

Part II: **K: Project space leased to or occupied by third parties**

There are two (2) space leases currently in effect. Classic Hair Care, L.L.C. leases approximately 300 SF for beauty parlor services. Theradynamics Physical Therapy Rehabilitation, P.C. leases approximately 150 SF for physical therapy/rehab services.

Part II: **L: Additional Information on Lessees of Space**

No additional information is currently available to Applicant with respect to Classic Hair Care, L.L.C.

Theradynamics Physical Therapy Rehabilitation P.C. is a New York Professional Corporation incorporated on August 27, 1999.

Part II: **Q: Customer Visits**

As noted above, there are two (2) entities which use space at Applicant's facility: Classic Hair Care, L.L.C., and Theradynamics Physical Therapy Rehabilitation, P.C. The services provided – beauty parlor services, and physical therapy services, respectively – are primarily for the benefit of the residents of Applicant. To our knowledge, there is no material use of their respective spaces to provide services to people who are not associated with Applicant. Applicant, is not providing retail sales or services to the general public.

Part II: **W: Is Project site Currently Subject to IDA Transaction**

Yes. Transaction is restructuring of existing bonds issued by Agency. Please see Background (above).

Part III: **B. Sources and Uses**

Sources

2021A Bonds	\$ 40,710,000
2021B Bonds	127,327,000
System Contribution	9,000,000
2014 Debt Service Reserve Fund	<u>4,800,000</u>
Total Sources	<u>\$181,837,000</u>

Uses

Refund 2014A Bonds at a discount	\$125,953,000
Refund 2014B Bonds at a discount	1,374,000
Redeem 2014C Bonds (no consideration)	-
Fund Payment of Resident Refunds	20,835,000
Fund MLR Requirement	18,000,000
Debt Service Reserve Fund (2021A)	4,080,000
Debt Service Reserve Fund (2021B)	6,595,000
Contingency	1,000,000
Closing Costs	<u>4,000,000</u>
Total Uses	<u>\$181,837,000</u>

Part III: **D. Working Capital**

A portion of the 2021A Bonds will be used for Applicant to meet liquidity reserves required by New York State regulation.

Part III: **E. Refinancing**

The 2021B Bonds will issued to restructure and refinance the 2014 Bonds issued by the Agency. See Background above.

Part III: **F. Refinancing**

Holder of the 2014 Bonds have agreed to purchase the 2021A Bonds. The 2021B Bonds will be delivered to the holders of the 2014A and B Bonds in exchange for those 2014 Bonds. See Background above.

Part IV: **A: Estimated Payroll**

	Present	First Year	Second Year	Third Year
Full-Time	\$4,395,492			
Part-Time	585,736			
Seasonal				
Total Annual Payroll	\$4,981,228	\$5,682,754	\$5,824,982	\$5,970,606

Average wages of employees (excluding benefits) presently employed by Applicant in Nassau County is [REDACTED]/hr.

SCHEDULE I

Part I: I: Threatened and Pending Litigation

1. Collichio, Justin vs Amsterdam at Harborside (Suffolk Supreme Court: 16788/2011)
2. June, Daniel vs Amsterdam at Harborside (Suffolk Supreme Court: 61751/2013)
3. Actions against Applicant seeking entrance fee refund:
 - a) [REDACTED] (NY Supreme Court: 614818/2020)
 - b) [REDACTED] as Executor (NY Supreme Court: 601521/2021)
 - c) [REDACTED] as co Executors (NY Supreme Court: 612483/2020)
 - d) [REDACTED], as Executors (NY Supreme Court: 611908/2020)
 - e) [REDACTED], as Executor (NY Supreme Court: 607467/2020)
4. please see below regarding bankruptcy cases

Part I: J: Applicant's Involvement in Bankruptcy

On July 22, 2014, Applicant filed a petition for relief under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**") in the Bankruptcy Court (Case No. 14-73348 (AST)). Hon. Alan S. Trust presided over the case.

The filing was made after months of discussions with the majority holders of the outstanding 2007 Bonds which resulted in an agreement to restructure Applicant's debt through an exchange of the outstanding 2007 Bonds for 2014 Bonds. In accordance with the debt restructuring plan, on the effective date of the plan of reorganization, the holders of the Series 2007A, B and C Bonds surrendered their bonds for an equivalent aggregate value of 2014A, B and C Bonds.

Applicant experienced further financial difficulties leading to a deferral of monthly payments and waiver of certain covenants in April, 2020 followed by a series of forbearance agreements with bondholders. On June 14, 2021, Applicant again filed a petition for relief under chapter 11 of the Bankruptcy Code in the Bankruptcy Court (Case No. 21-71095 (AST)). Hon. Alan S. Trust is presiding over the case.

The Plan of Reorganization presented to the Bankruptcy Court is based on an agreement in principle, after months of discussions, with the majority holders of the outstanding 2014 Bonds to restructure Applicant's debt through an exchange of the outstanding 2014A and B Bonds for 2021B Bonds. In accordance with the debt restructuring plan, on the effective date of an approved plan of reorganization, the holders of the Series 2014A and 2014B Bonds will surrender their bonds (in the current aggregate principal amount of \$139,917,130) for a pro rata amount of the new Series 2021B Bonds in a principal amount of \$127,327,200. The Series 2014C Bonds will be cancelled in whole without any payment or consideration.

Part I. Principals holding Government Positions

James Davis is an appointed member of the New York State Continuing Care Retirement Community Council.

EXHIBIT A

Upon acceptance of the Application by the Agency for processing and completion of the Cost/Benefit Analysis, the Agency will attach a proposed PILOT Schedule hereto, together with an estimate of the net tax benefit/cost of the proposed PILOT Schedule.

EXHIBIT B

Fair Housing/Equal Housing Opportunity Policy to be adopted by Agency Applicants for Housing Projects

As part of our continuing effort to ensure compliance with federal, state, and local anti-discrimination laws, we would like to take this opportunity to remind you of our policies regarding equal housing opportunity. It is important for all employees to review his or her own actions in light of these requirements and for everyone to keep in mind the importance of treating all persons equally.

It is the policy and practice of this company not to engage in or assist the efforts of others to engage in housing discrimination. Consistent with that policy, we remind you that the antidiscrimination laws of the United States, New York State, and local laws are quite specific in the area of housing, and in conformance with those laws, you must not engage in any of the following conduct during the course of your work for this company:

1. Refuse to show, rent, sell, negotiate for the rental or sale of, or otherwise make unavailable or deny, housing to any person because of race, color, religion, creed, sex/gender, familial status (having or expecting a child under 18), national origin, ethnicity, disability, marital status, age, sexual orientation, military status, source of income or status as survivor of domestic violence (each a "prohibited basis");
2. Discriminate against any person in the terms, conditions or privileges of a rental or sale or in the provision of services or facilities in connection therewith because of a prohibited basis;
3. Make any verbal or written statement with respect to the rental or sale of housing that indicates any preference, limitation or discrimination concerning a prohibited basis, or any statement indicating an intention to make any such preference, limitation or discrimination;
4. Represent to any person because of a prohibited basis that any housing or unit is not available for inspection, rental or sale when such apartment is in fact so available;
5. Steer persons into or away from certain areas of a building, development or neighborhood because of a prohibited basis;
6. Refuse to provide a reasonable accommodation in rules, policies, practices or services for tenants, buyers, or applicants with disabilities; and
7. Refuse to allow a reasonable modification to individual units or common areas for tenants, buyers, or applicants with disabilities.

We are firmly committed to the goal of fair housing. You should understand that any violation of this Fair Housing/Equal Housing Opportunity Policy will lead to discipline, up to and including discharge.

EXHIBIT C

Sample Fair Housing Posters

U. S. Department of Housing and Urban Development



EQUAL HOUSING
OPPORTUNITY

**We Do Business in Accordance With the Federal Fair
Housing Law**

(The Fair Housing Amendments Act of 1988)

**It is illegal to Discriminate Against Any Person
Because of Race, Color, Religion, Sex,
Handicap, Familial Status, or National Origin**

- | | |
|--|--|
| ■ In the sale or rental of housing or residential lots | ■ In the provision of real estate brokerage services |
| ■ In advertising the sale or rental of housing | ■ In the appraisal of housing |
| ■ In the financing of housing | ■ Blockbusting is also illegal |

Anyone who feels he or she has been discriminated against may file a complaint of housing discrimination:

1-800-669-9777 (Toll Free)

1-800-927-9275 (TTY)

www.hud.gov/fairhousing

U.S. Department of Housing and
Urban Development
Assistant Secretary for Fair Housing and
Equal Opportunity
Washington, D.C. 20410

Previous editions are obsolete

Form HUD-928.1 (6/2011)

HOUSING
DISCRIMINATION IS
SOMETIMES **BLATANT**,
SOMETIMES **SUBTLE**,
BUT ALWAYS UNLAWFUL.

DO YOU SUSPECT YOU HAVE BEEN DISCRIMINATED AGAINST BECAUSE OF YOUR AGE, RACE, DISABILITY, FAMILIAL STATUS, OR BECAUSE YOU ARE A MEMBER OF OTHER PROTECTED CLASSES? IF YOU WITNESS OR EXPERIENCE DISCRIMINATION, CONTACT THE NEW YORK STATE DIVISION OF HUMAN RIGHTS AT 1-888-392-3644 OR WWW.DHR.NY.GOV.

THE COMMISSION ENFORCEMENT DIVISION HAS OFFICE LOCATIONS IN ALBANY, BAITING AND U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.



NY
WORKS



EXHIBIT D
Requirements for Affirmative Marketing Plans for Housing Projects

Affirmative marketing plans submitted by the Applicant shall be required only for affordable or "workforce" units and shall contain the following information:

1. Street address, village, town, zip code, and census tract number for the Project;
2. Number of affordable units to be marketed and whether they will be available for rent or purchase;
3. The number, if any, and location of market rate units included in the Project;
4. Whether the housing will be "housing for older persons", defined as at least 80% occupancy of units with at least one person 55 or older or 100% occupancy of persons age 62 or older;
5. A description of how units will be advertised for sale or rental prior to first occupancy, including whether Applicant will utilize its own website, commercial websites, print media outlets, social media outlets such as Facebook, a sign at the project site, mailings, leaflets/flyers, brochures, and other forms of advertising;
6. A statement that the Applicant will use fair housing logo or phrase "Equal Housing Opportunity" on all advertising described above;
7. A statement that the Applicant will distribute written information regarding the availability of affordable units at the project to a list of organizations provided to the Applicant by the Agency, which list may be updated annually;
8. Whether the Applicant will conduct the marketing and initial rent-up or sales itself or contract with a third-party;
9. A statement that an initial application period with a specific start and end date will be utilized for accepting applications for consideration for the initial rental of the units and that the period will last for at least thirty (30) days after the marketing described in this plan is commenced. In addition, a statement that following the initial application period, all the applications submitted during the initial application period will be considered through the use of a lottery and not on a first-come first-served basis, unless the number of applications received during the initial application period is less than the total number of units available for rental.
10. A statement that the Applicant will maintain records of the activities it undertakes to implement its marketing plan.