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*Counsel to the Debtor and Debtor-in-Possession*

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NEW YORK**

In re:

AMSTERDAM HOUSE CONTINUING CARE  
RETIREMENT COMMUNITY, INC.,<sup>1</sup>  
aka The Amsterdam at Harborside  
aka The Harborside  
aka Harborside Legacy Fund  
aka Harborside Legacy Foundation,  
  
Debtor.

Chapter 11

Case No. 21-71095 (AST)

**DECLARATION OF DAVID B. FIELDS IN SUPPORT OF THE  
REVISED FIRST AMENDED CHAPTER 11 PLAN OF REORGANIZATION FOR  
AMSTERDAM HOUSE CONTINUING CARE RETIREMENT COMMUNITY, INC.**

I, David B. Fields, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information, and belief:

1. I am a Managing Director of RBC Capital Markets LLC (“RBC Capital”) based in its office located in Conshohocken, Pennsylvania.

<sup>1</sup> The last four digits of the Debtor’s federal tax identification number are 1764. The Debtor’s mailing address is 300 East Overlook, Port Washington, New York 11050.



2. I have served as an investment banker with a focus on restructuring for approximately twelve (12) years, and regularly provide services to debtors, secured creditors, and other parties in interest in connection with in- and out-of-court restructurings. I have extensive experience advising health care companies especially continuing care retirement communities (“CCRCs”) such as the Debtor. In my capacity as an investment banker for distressed companies and their creditors, I regularly assist with the formulation, testing, and evaluation of financial models and projections in connection with proposed financial and operational restructurings and advise clients on matters of feasibility and the reasonableness of the assumptions underlying such models and projections.

3. Except as otherwise indicated herein, all statements set forth in this declaration (this “Declaration”) are based upon (a) my personal knowledge of and familiarity with the Debtor’s operations, finances and restructuring efforts, (b) my review of relevant documents and information provided to me by employees of or other advisors to the Debtor, and (c) my opinion based on my experience and knowledge concerning the Debtor’s operations and financial, legal and business affairs. I am over the age of 18 and authorized to submit this Declaration in support of the Revised First Amended Plan (as defined below). If called upon to testify, I would testify competently to the facts set forth herein.

4. I submit this Declaration in connection with the *Debtor’s Memorandum of Law in Support of Entry of an Order Confirming the Revised First Amended Chapter 11 Plan of Reorganization for Amsterdam House Continuing Care Retirement Community, Inc.* (the “Confirmation Memorandum”), filed concurrently herewith, and in support of confirmation of the *Debtor’s Revised First Amended Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 193] (as it may be further amended, modified, or supplemented from time to

time, the “Revised First Amended Plan”)<sup>2</sup> and in particular to provide my opinion on the likelihood that the plan will lead to the liquidation or need for further restructuring of the Debtor.

**I. The Financial Projections Attached to the Disclosure Statement are Commercially Reasonable and Appropriate**

5. On June 14, 2021 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Eastern District of New York (this “Court”). This is the Debtor’s second chapter 11 filing, the first of which (the “2014 Chapter 11 Case”) resulted in a confirmed chapter 11 plan on October 23, 2014.

6. On July 12, 2021, the Debtor filed its *First Amended Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 105] (the “First Amended Plan”) and the *Disclosure Statement for the Debtor’s First Amended Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 106]. On July 19, 2021, the Debtor filed a further revised *Disclosure Statement for Debtor’s First Amended Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* (the “Disclosure Statement”) [Docket No. 129]. The Debtor filed the Revised First Amended Plan, which made certain conforming, technical, and non-material edits to the First Amended Plan at the request of various parties in interest, on August 20, 2021.

7. Pursuant to the *Order Authorizing the Retention and Employment of RBC Capital Markets LLC as Investment Banker for the Debtor and Debtor in Possession as of the Petition Date* [Docket No. 116], RBC Capital has been retained as an investment banker and advisor for the Debtor. The Debtor has also retained Sidley Austin LLP (“Sidley”) as bankruptcy counsel.

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<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to such terms in the Plan and Confirmation Memorandum.

GMSC New York, LLC (“Greystone”) has historically provided the Debtor with certain financial advisory and reporting services, and continues to do so during this Chapter 11 Case.

8. RBC Capital, Greystone, and Sidley assisted the Debtor in producing the financial projections attached to the Disclosure Statement as Exhibit D (the “Financial Projections”). The Financial Projections, among other things, model the Reorganized Debtor’s post-bankruptcy cash flow and ability to service its debt, timely pay entrance fee refunds and remain in regulatory compliance, assuming the Revised First Amended Plan is confirmed.

9. I was personally involved with the preparation of the Financial Projections, including in developing and testing the methodologies and assumptions underlying the Financial Projections. In my professional opinion, the methodologies and assumptions underlying the methodologies used to prepare the Financial Projections are commercially reasonable and appropriate.

**II. The Revised First Amended Plan is Feasible and is Unlikely to Result in a Future Liquidation or Restructuring**

10. Sidley has advised me that the Bankruptcy Code requires the Court to determine that the Revised First Amended Plan is feasible and not likely to be followed by liquidation or the need for further financial reorganization as a condition precedent to its confirmation.

11. Based on my experience, my review of the Financial Projections, and my knowledge of the Debtor’s operations, financials and restructuring efforts, I believe the Revised First Amended Plan is a permanent solution to the Debtor’s financial issues. In particular, the Revised First Amended Plan includes a number of critical elements which distinguish it from the approach taken in the 2014 Chapter 11 Case.

12. In the 2014 Chapter 11 Case, the Debtor’s then-existing series 2007 bonds (plus accrued and unpaid interest during the bankruptcy period) were exchanged for new 2014 Bonds,

without any influx of cash and without any reduction in principal. Here, the Series 2014A Bonds and Series 2014B Bonds will be exchanged for Series 2021B Bonds in a face amount equal to 91% of their principal amount outstanding, a debt principal reduction of approximately \$12,589,930. The existing Series 2014C Bonds, with an outstanding principal amount of \$59,537,660, will be extinguished without any payment or consideration.

13. Further, pursuant to the Revised First Amended Plan, not only will the Debtor reduce its bond obligations by nearly \$80,000,000 plus accrued interest, but is also issuing new bonds with a face amount in excess of \$40,000,000 (which the Consenting Bondholders have committed to purchase). The Debtor's Member is contributing \$9,000,000 to meet plan obligations and has committed to provide an additional \$9,000,000 through a Liquidity Support Agreement. This new funding will allow the Debtor to meet its debt service obligations, fund compliance with regulatory requirements (including minimum liquidity reserve requirements), fund the payment of entrance fee refunds for former residents, and fund operational expenses, dramatically improving liquidity.

14. Specifically, on the Effective Date of the Revised First Amended Plan, the Consenting Holders will purchase an additional \$40,710,000 in Series 2021A Bonds for cash. This influx of new cash will be used to (a) repay entrance fee refunds owed to the Debtor's former residents in an aggregate amount of approximately \$20,835,000; (b) fund \$9,000,000 toward the Debtor's satisfaction of the minimum liquidity reserve requirement (the "MLRR") under applicable New York state law; and (c) fund a debt service reserve fund, a contingency and the costs of issuance of the 2021 Bonds. Further, Amsterdam Continuing Care Health System, Inc., the Debtor's sole member (the "Member") will contribute \$9 million to the Debtor and provide an additional funded \$9 million Liquidity Support Agreement ("LSA") for not less than a 10-year

period, which shall be reserved for making payments to keep the Debtor in regulatory compliance, including required payments of future entrance fee refunds and satisfaction of the MLRR.

15. The Debtor's ability to retain cash on hand will also be greatly improved following consummation of the Revised First Amended Plan. Following its 2014 reorganization, any excess cash over 175 days' cash on hand was swept and used toward the repayment of outstanding Series 2014B Bonds. Once the Series 2014B Bonds were redeemed in full, the Debtor could build liquidity with excess cash up to 250 days' cash on hand with a 50/50 split to pay accrued interest on the Series 2014C Bonds, then principal. In contrast, following consummation of the Revised First Amended Plan, the Debtor will be able to maintain approximately 350 days' cash on hand, which will put the Debtor in a better position to weather disruptions in cash flow going forward. In addition to the 350 days' cash on hand, the LSA is available to keep the Debtor in regulatory compliance and provide an additional buffer for unforeseen business disruptions.

16. Moreover, in my view, the Debtor's financial success after consummation of the Revised First Amended Plan will, in significant part, be driven by its ability to consistently attract new residents. In addition to the financial restructuring described above, the Debtor is currently undertaking certain improvements to its operations and its marketing activities. The Debtor has submitted for and expects to imminently secure regulatory approval of revised and additional forms of residency agreements, which will offer lower monthly service fees and lower entrance fees in exchange for fewer days of included assisted living, memory and skilled nursing care in the Debtor's Isaac H. Tuttle Health Center if and when such care is needed by the prospective resident. I believe that these "Type B" contracts will make the Debtor significantly more appealing to segments of the market that would otherwise not have interest in the "Type A" contracts currently offered to prospective residents. In particular, Type B residency agreements are expected

to enhance marketing to prospective residents with long-term care insurance policies or other means to pay those expenses.

17. Finally, the Financial Projections were also shared with FTI Consulting (“FTI”), the financial advisor retained in connection with the Restructuring Transaction by the 2014 Bond Trustee and the Consenting Holders. FTI engaged in extensive review of the Financial Projections and engaged in discussions with the Debtor’s professionals, testing the assumptions underlying the Financial Projections, reviewing and negotiating changes to the proposed debt structure, and creating its own model to project the Debtor’s cash flows and ability to service the 2021 Bonds, timely pay entrance fee refunds and remain in regulatory compliance.

18. After conducting this analysis, the Consenting Holders have committed to supporting confirmation of the Revised First Amended Plan. As a result, there has been detailed review of the Plan by multiple parties whom would benefit from the Debtor’s emergence from chapter 11 as a viable entity capable of paying its debts and stand to suffer financial losses if the Debtor had to undergo further restructuring. The fact that the Consenting Holders have agreed to support the Revised First Amended Plan is a testament to the Revised First Amended Plan’s feasibility and likelihood of success.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Dated: August 20, 2021  
New York, New York

/s/ David B. Fields  
David B. Fields  
Managing Director  
RBC Capital Markets LLC