

**INDENTURE AMENDMENT RESOLUTION
KINGSTON REGIONAL SENIOR LIVING CORP. - WOODLAND POND AT NEW PALTZ -
LETTER OF CREDIT SECURED PROJECT**

A regular meeting of Ulster County Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency located at 5 Development Court in the City of Kingston, Ulster County, New York on February 8, 2012 at 8:00 o'clock a.m., local time.

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

PRESENT:

David O'Halloran	Chairperson
John Morrow	Secretary
Stephen Perfit	Treasurer
Paul Colucci	Assistant Chairperson/Assistant Secretary
Mike Horodyski	Assistant Chairperson/Assistant Secretary
Robert Kinnin	Assistant Chairperson/Assistant Secretary

ABSENT:

James Malcolm	Assistant Chairperson/Assistant Secretary
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THE FOLLOWING PERSONS WERE ALSO PRESENT:

Lance Matteson	Chief Executive Officer
Lisa Fadelici	Chief Financial Officer
Linda Clark	Administrative Assistant
A. Joseph Scott, III, Esq.	Agency and Bond Counsel

The following resolution was offered by Stephen Perfit, seconded by James Malcolm, to wit:

Resolution No. ____

RESOLUTION AUTHORIZING AN AMENDMENT TO THE INDENTURE AND EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION WITH TAX-EXEMPT VARIABLE RATE DEMAND CIVIC FACILITY REVENUE BONDS (KINGSTON REGIONAL SENIOR LIVING CORP. – WOODLAND POND AT NEW PALTZ – LETTER OF CREDIT SECURED PROJECT), SERIES 2007C IN THE AGGREGATE PRINCIPAL AMOUNT OF \$44,700,000, ISSUED BY ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

WHEREAS, on October 31, 2007 (the "Closing Date"), the Agency issued its Tax-Exempt Variable Rate Demand Civic Facility Revenue Bonds (Kingston Regional Senior Living Corp. – Woodland Pond at New Paltz – Letter of Credit Secured Project), Series 2007C in the aggregate principal amount of \$44,700,000 (the "Series 2007C Bonds") to assist in the financing of the cost of a project (the "Project") for the benefit of Kingston Regional Senior Living Corp. (the "Company") consisting of the following: (A) (1) the acquisition of an interest in certain real estate containing approximately 83

acres located to the west of North Putt Corners Road between Shivertown Road and Erman Lane in the Village of New Paltz, Ulster County, New York (the "Initial Land"); (2) the construction of one approximately 354,000 square foot building and twelve separate cottages each containing approximately 3,500 square feet of space (collectively, the "Initial Facility"); and (3) the acquisition and installation thereon and therein of certain machinery and equipment located therein and thereon (the "Initial Equipment") (the Initial Land, the Initial Facility and the Initial Equipment hereinafter collectively referred to as the "Initial Project Facility"), all of the foregoing to constitute a continuing care retirement community under Article 46 of the New York Public Health Law to be owned by and operated by the Company; (B) the financing of all or a portion of the costs of the foregoing by the issuance of a series or multiple series of taxable and/or tax exempt revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Initial Project, together with necessary incidental costs in connection therewith, the maximum aggregate estimated amount of which is not to exceed \$100,000,000 (the "Obligations"); (C) the payment of a portion of the costs incidental to the issuance of the Obligations, including issuance costs of the Obligations, the funding of a Debt Service Reserve Fund, the cost of obtaining credit enhancement and the paying of capitalized interest on the Obligations; (D) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales taxes, mortgage recording taxes, deed transfer taxes, and real property taxes (collectively with the Obligations, the "Initial Financial Assistance"); and (E) the lease (with an obligation to purchase) or sale of the Initial Project Facility to the Company and/or such other person as may be designated by the Company and agreed upon by the Issuer; and

WHEREAS, the Series 2007C Bonds were issued pursuant to that certain Trust Indenture dated as of October 1, 2007 (as amended by a First Amendment to Indenture (Series 2007C Bonds) dated as of October 27, 2011, the "Indenture"), between the Agency and Wells Fargo Bank, N.A., as trustee (the "Trustee"); and

WHEREAS, pursuant to a letter dated January 20, 2012, from the Company to Sovereign Bank (the "Bank"), the Company notified the Bank of its desire to amend the Indenture, solely as it relates to the Series 2007C Bonds, in accordance with its terms, so as to accomplish the following (collectively, the "Indenture Amendment"): (a) increase the amount of Moneys in the Entrance Fee Funds that can be disbursed by the Trustee to the Working Capital Fund and/or the Operating Reserve Fund, and (b) make other changes necessary to effectuate the foregoing; and

WHEREAS, the Agency is willing to consent to the Indenture Amendment and to execute and deliver any documents deemed necessary or desirable in connection with the Indenture Amendment, including, without limitation, an amendment to the Indenture (collectively, the "Amendment Documents"), subject to the terms of this Resolution; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act") and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the "Regulations" and collectively with the SEQR Act, "SEQRA"), it appears that the Indenture Amendment constitutes a Type II action under SEQRA;

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

Section 1. Based upon an examination of the Indenture Amendment, the Agency hereby makes the following findings and determinations:

(A) The Indenture Amendment constitutes a "Type II action" pursuant to 6 NYCRR 617.5(c)(23), and therefore that, pursuant to 6 NYCRR 617.6(a)(1)(i), the Agency has no further responsibilities under SEQRA with respect to the Indenture Amendment.

(B) Based on representations made by the Company to the Agency, (1) no new money will be advanced through the Agency complying with the Indenture Amendment and entering into the Amendment Documents, and (2) no other changes are proposed for the Financing Documents (as defined in the Indenture).

(C) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act.

(D) The approval of the Indenture Amendment and the Amendment Documents will promote and maintain the job opportunities, general prosperity and economic welfare of the citizens of the Ulster County, New York and the State of New York and improve their standard of living.

(E) Any "financial assistance" (within the meaning of Section 854(14) of the Act) to be granted by the Agency in connection with the Indenture Amendment will be in an amount less than \$100,000, accordingly, there is no requirement for the Agency to hold a public hearing with respect to the Indenture Amendment under Section 859-a of the Act.

(F) It is desirable and in the public interest for the Agency to comply with the Company's request regarding the Indenture Amendment and the execution and delivery of the Amendment Documents, subject to Section 2 below.

Section 2. The Agency hereby consents to the Indenture Amendment and the execution and delivery of the Amendment Documents; provided, however, that such consent is contingent upon (A) the consent of the owners of the Series 2007C Bonds or the deemed sole owner of the Series 2007C Bonds, as required under the Indenture, (B) approval by Bond Counsel and Agency Counsel of the form of the Amendment Documents, (C) compliance with the terms and conditions contained in the Financing Documents, (D) compliance with applicable state and federal law, (E) evidence that the Company is current under the Payment in Lieu of Tax Agreement relating to the Project, and (F) the payment by the Company of all fees and expenses of the Agency in connection with the delivery of such consent, including the administrative fee of the Agency (equal to \$1,000) and the fees of Agency Counsel and Bond Counsel.

Section 3. Subject to the satisfaction of the conditions described in Section 2 hereof, the Chairman (or Vice Chairman) of the Agency is hereby authorized to execute and deliver the Amendment Documents and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in substantially the form thereof presented to this meeting, with such changes, variations, omissions and insertions as the Chairman

(or Vice Chairman) shall approve, the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

Section 4. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Amendment Documents, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing Resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Amendment Documents binding upon the Agency.

Section 5. This Resolution shall take effect immediately.

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

David O'Halloran	VOTING	<u>Yes</u>
John Morrow	VOTING	<u>Yes</u>
Stephen Perfit	VOTING	<u>Yes</u>
Paul Colucci	VOTING	<u>Yes</u>
Mike Horodyski	VOTING	<u>Yes</u>
Robert Kinnin	VOTING	<u>Yes</u>
James Malcolm	VOTING	<u>Absent</u>

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of Ulster County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the resolution contained therein, held on February 8, 2012, with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Agency and of such resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

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

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 9th day of February, 2012.



(Assistant) Secretary

(SEAL)