

**ULSTER COUNTY CAPITAL RESOURCE CORPORATION
RESOLUTION APPROVING CORPORATE RESTRUCTURING
WOODLAND POND AT NEW PALTZ PROJECT**

A regular meeting of Ulster County Capital Resource Corporation (the "Corporation") was convened in public session in the Karen Binder Library located on the 6th Floor of the Ulster County Office Building, 244 Fair Street, in the City of Kingston, Ulster County, New York on January 13, 2016 at 9:00 o'clock a.m., local time.

The meeting was called to order by the (Vice) Chair and, upon roll being called, the following members of the Corporation were:

PRESENT:

Michael Horodyski	Chair
John Morrow	Vice Chair
Robert Kinnin	Secretary
Floyd Lattin	Treasurer
John Livermore	Assistant Secretary
James Malcolm	Assistant Treasurer
Mary Sheeley	Member

ABSENT:

THE FOLLOWING PERSONS WERE ALSO PRESENT:

Suzanne Holt	Director, Office of Economic Development
Linda Clark	Office of Economic Development
Christopher Fury	Office of Economic Development
A. Joseph Scott, III, Esq.	Corporation Counsel

The following resolution was offered by _____, seconded by _____, to wit:

Resolution No. ____

**RESOLUTION CONSENTING TO AND AUTHORIZING THE EXECUTION AND
DELIVERY OF CERTAIN DOCUMENTS WITH RESPECT TO THE WOODLAND
POND AT NEW PALTZ PROJECT.**

WHEREAS, Ulster County Capital Resource Corporation was created pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as amended (the "Enabling Act"). Pursuant to the provisions of the Enabling Act and Revenue Ruling 57-187 and Private Letter Ruling 200936012, the County Legislature of Ulster County, New York (the "County") adopted a resolution on March 2, 2010 (the "Sponsor Resolution") (A) authorizing the incorporation of Ulster County Capital Resource Corporation under the Enabling Act and (B) appointing the initial members of the board of directors of the Corporation. In May, 2010, a certificate of incorporation was filed with the New York

Secretary of State's Office (the "Certificate of Incorporation") creating the Corporation as a public instrumentality of the County; and

WHEREAS, the Corporation is authorized and empowered by the provisions of the Enabling Act to relieve and reduce unemployment, promote and provide for additional and maximum employment, better and maintain job opportunities, and lessen the burdens of government and act in the public interest, and in carrying out the aforesaid purposes and in exercising the powers conferred in the Enabling Act, the Enabling Act declares that the Corporation will be performing essential governmental functions; and

WHEREAS, to accomplish its stated purposes, the Corporation is authorized and empowered under the Enabling Act to acquire real and personal property; to borrow money and issue negotiable bonds, notes and other obligations therefore; to lease, sell, mortgage or otherwise dispose of or encumber any of its real or personal property upon such terms as it may determine; and otherwise to carry out its corporate purposes in the territory in which the operations of the Corporation are principally to be conducted; and

WHEREAS, on or about October 31, 2007, the Ulster County Industrial Development Agency (the "Agency") issued its (A) Civic Facility Revenue Bonds (Kingston Regional Senior Living Corp. - Woodland Pond at New Paltz Project), Series 2007A in the original aggregate principal amount of \$64,650,000 (the "Series 2007A Bonds"), (B) Civic Facility Revenue Bonds (Kingston Regional Senior Living Corp. - Woodland Pond at New Paltz Project), Series 2007B-1 Extendable Rate Adjustable in the original aggregate principal amount of \$3,000,000 (the "Series 2007B-1 Bonds"), (C) Civic Facility Revenue Bonds (Kingston Regional Senior Living Corp. - Woodland Pond at New Paltz Project), Series 2007B-2 Extendable Rate Adjustable in the original aggregate principal amount of \$4,000,000 (the "Series 2007B-2 Bonds", and collectively with the Series 2007B-1 Bonds, the "Series 2007B Bonds") (the Series 2007B Bonds and the Series 2007A Bonds, hereinafter collectively the "Initial Fixed Rate Bonds"), (D) 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 original aggregate principal amount of \$44,700,000 (the "Series 2007C Bonds"), and (E) Taxable Variable Rate Demand Civic Facility Revenue Bonds (Kingston Regional Senior Living Corp. - Woodland Pond at New Paltz - Letter of Credit Secured Project), Series 2007D in the original aggregate principal amount of \$1,140,000 (the "Series 2007D Bonds", and collectively with the Series 2007C Bonds, the "Initial Variable Rate Bonds") (the Initial Fixed Rate Bonds and the Initial Variable Rate Bonds being collectively referred to as the "Series 2007 Bonds") to finance a project (the "Project"); and

WHEREAS, the Project consisted 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 Health Alliance Senior Living Corp. d/b/a Woodland Pond at New Paltz f/k/a Kingston Regional Senior Living Corp. (the "Company"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real property transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the sale of the Project Facility to the Company; and

WHEREAS, on or about September 12, 2014, the Corporation issued its Tax-Exempt Revenue Refunding Bonds (Health Alliance Senior Living Corp. - Woodland Pond at New Paltz Project), Series 2014A in the original principal amount of \$6,335,000 (the "Series 2014A Bonds") and the Corporation's Tax-Exempt Revenue Refunding Bonds (Health Alliance Senior Living Corp. - Woodland Pond at New Paltz Project), Series 2014B in the aggregate principal amount of \$8,285,000 (the "Series 2014B Bonds", and collectively with the Series 2014A Bonds, the "Series 2014 Bonds") for the purpose of refunding a portion of the Series 2007 Bonds; and

WHEREAS, in connection with the issuance of the Series 2014 Bonds, the Corporation executed and delivered a loan agreement dated as of September 1, 2014 (the "Loan Agreement"); and

WHEREAS, the Corporation has now been advised that the Company is restructuring its corporate organization by removing HealthAlliance, Inc. as the sole corporate member of the Company, as described in the correspondence from the Company attached as Schedule A to this resolution; and

WHEREAS, in connection with the proposed corporate restructuring (the "Corporate Reorganization"), the Company has requested (the "Request") that the Corporation execute documents providing for the consent by the Corporation of the Corporate Reorganization pursuant to the Installment Sale Agreement, and any related actions (collectively, the "Consent Documents"); 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"), the Corporation must satisfy the requirements contained in SEQRA prior to making a final determination whether to proceed with the execution and delivery of the Consent Documents; and

WHEREAS, pursuant to SEQRA, the Corporation has reviewed the Request in order to make a determination as to whether the execution and delivery of the Consent Documents is subject to SEQRA, and it appears that the Request is not an "Action" under SEQRA;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF ULSTER COUNTY CAPITAL RESOURCE CORPORATION AS FOLLOWS:

Section 1. Pursuant to SEQRA, the approval of the Request is not an "Action" under SEQRA and therefore is not subject to SEQRA review by the Corporation.

Section 2. The Corporation hereby approves the Request and the execution of the Consent Documents; provided, however, that such consent is contingent upon (A) the written consent by the percentage of the holders of the outstanding Series 2014 Bonds and additional financing relating to the Project required under the Loan Agreement and other Financing Documents (as defined in the Loan Agreement), (B) approval by Corporation Counsel to the form of the Consent Documents, (C) compliance with the terms and conditions contained in the Financing Documents, (D) the written consent by the New York State Department of Health, (E) evidence satisfactory to the Corporation that all payments in lieu of taxes and other local fees and assessments relating to the Project Facility, if any, have been paid by the Company, (F) the payment by the Company of the administrative fee of the Corporation, and all other fees and expenses of the Corporation in connection with the delivery of the Consent Documents, including the fees of Corporation Counsel, (G) no additional Financial Assistance being granted to the Company, and (H) the following additional conditions: _____.

Section 3. Subject to the satisfaction of the conditions described in Section 2 hereof, the Chairman (or Vice Chairman) of the Corporation is hereby authorized to execute and deliver the Consent Documents to provide for the Request, and, where appropriate, the Secretary (or Assistant Secretary) of the Corporation is hereby authorized to affix the seal of the Corporation thereto and to attest the same, with terms and conditions approved by the Chairman (or Vice Chairman), 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 Corporation are hereby authorized and directed for and in the name and on behalf of the Corporation to do all acts and things required or provided for by the provisions of the Request, 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 Corporation with all of the terms, covenants and provisions of the Request.

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:

Michael Horodyski	VOTING	_____
Robert Kinnin	VOTING	_____
Floyd Lattin	VOTING	_____
John Livermore	VOTING	_____
James Malcolm	VOTING	_____
John Morrow	VOTING	_____
Mary Sheeley	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned, (Assistant) Secretary of the Ulster County Capital Resource Corporation (the "Corporation"), DO HEREBY CERTIFY that I have compared the foregoing extract of the minutes of the meeting of the members of the Corporation, including the Resolution contained therein, held on January 13, 2016, with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Corporation and of such Resolution set forth therein and insofar as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Corporation had due notice of said meeting; (B) said meeting was in all respect 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 public notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Corporation 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 Corporation this ____ day of January, 2016.

(Assistant) Secretary

(S E A L)

SCHEDULE A
COMPANY REQUEST

Dear Joe –

I hope that you are well. I am contacting you with cc: to our legal counsel on the matter to inform you that after much consideration, and based on mutual benefit, Woodland Pond has decided that we will seek approval from all relevant parties to remove HealthAlliance Inc as our Sole Corporate Member. HealthAlliance, as you know, is actively pursuing affiliation with Westchester Medical Center and as such will become focused solely on the acute care environment and community health. Senior living is not part of the long term vision of the proposed WMC / HA affiliation. We are all anxious to get this done ASAP.

We have been discussing this likelihood with our bondholders and our main contact at DOH for many months, and have verbal support to move forward at this time. Our expected path is to first, self-sponsor, and then (a second step which is already well in process) actively seek and eventually link with a new, senior living affiliate.

Based on my conversations with Mike Heeran at DOH, who is preparing to take this through the State approvals for us within the next few civic cycles, I am going to be formally seeking the sign off on step one (remove HealthAlliance as Sole Corporate Member and become self-sponsored), from both the IDA (2007 bonds) and the 2014 bonds (CRC).

I'd like to set up a call with you and probably Suzanne, maybe the CRC/IDA chairperson as soon as possible so that we can talk timing/ steps. I'd love to have this on the agenda at the next IDA / CRC meetings.

Thank you!

Michelle Gramoglia
Executive Director
Woodland Pond at New Paltz