

AUTHORIZING RESOLUTION
(Drum Hill Senior Living Project – Indenture Modification)

A regular meeting of the City of Peekskill Industrial Development Agency (the “Issuer”) was convened in public session at the offices of the Issuer located at City Hall, 840 Main Street, New York 10566, on June 26, 2012, at 7:00 p.m., local time.

Resolution No. 2012-03

**RESOLUTION OF THE CITY OF PEEKSKILL INDUSTRIAL
DEVELOPMENT AGENCY AUTHORIZING THE
AMENDMENT OF CERTAIN DOCUMENTS IN
CONNECTION WITH THE AGENCY’S ORIGINAL
AGGREGATE PRINCIPAL AMOUNT \$13,900,000 SENIOR
LIVING FACILITY REVENUE BONDS (DRUM HILL SENIOR
LIVING PROJECT), SERIES 1998.**

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

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

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

WHEREAS, the Company and the Issuer desire to amend the Indenture and the Sale Agreement for the purpose of amending the Debt Service Fund Reserve Requirement (as defined in the Indenture) and the Liquidity Covenant, pursuant to the terms of a certain Omnibus Amendment, to be dated as of June 1, 2012 (or such other appropriate date) (the “Omnibus Amendment”), by and among the Issuer, the Company, and The Bank of New York Mellon (formerly known as The Bank of New York), as trustee (the “Trustee”); and

WHEREAS, the Issuer has caused notice of the proposed execution of such Omnibus Amendment to be given, by first class mail to each Owner (as defined in the Indenture) of the Bonds then Outstanding (as defined in the Indenture) at their addresses as they appear on the registration books kept by the Trustee, as required by the provisions of Section 11.2 of the Indenture.

WHEREAS, the Issuer has mailed notice and received the written approval and consent of the Majority of the Owners (as defined in the Sale Agreement) of the Bonds then Outstanding, as required by the provisions of Section 12.2 of the Indenture; and

WHEREAS, the Issuer desires to adopt a resolution approving the foregoing and authorizing the execution and delivery of certain documents in connection therewith.

NOW, THEREFORE, BE IT RESOLVED by the City of Peekskill Industrial Development Agency that:

Section 1. Subject to the Issuer's receipt of the necessary consents of the Majority Owners of the Bonds, the Issuer hereby determines and authorizes the amendment of the Indenture pursuant to the terms of the Omnibus Amendment in substantially the form attached hereto as Exhibit A, with such changes as approved by the Chairman, Vice-Chairman and/or Executive Director of the Issuer, along with Harris Beach PLLC, as bond counsel to the Issuer.

Section 2. Subject to the Issuer's receipt of the necessary consents the Majority of the Owners of the Bonds then Outstanding, the Issuer hereby determines and authorizes the amendment of the Sale Agreement pursuant to the terms of the Omnibus Amendment in substantially the form approved by the Chairman, Vice-Chairman and/or Executive Director of the Issuer, along with Harris Beach PLLC, as bond counsel to the Issuer.

Section 3. The Chairperson, Vice Chairperson and/or the Executive Director are hereby authorized, on behalf of the Issuer, to execute, file and deliver the Omnibus Amendment and any documents necessary and incidental thereto, all in substantially the forms thereof as approved by counsel to the Issuer with such changes, variations, omissions and insertions as the Chairperson, Vice Chairperson or the Executive Director shall approve. The execution of the foregoing documents by the Chairperson, Vice Chairperson and/or the Executive Director shall constitute conclusive evidence of such approval.

Section 4. The officers, employees, and agents of the Issuer are hereby authorized and directed for and in the name and or behalf of the Issuer to do all acts and things required or provided by the provisions of the Indenture, and to execute and deliver all such additional certificates, instruments and documents, 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 effectuate the purposes of the foregoing resolution and to cause compliance by the Issuer with all of the terms, covenants, and provisions of the Indenture binding upon the Issuer.

Section 5. Any and all actions heretofore taken by the Issuer, for and on behalf of the

Company, are hereby ratified, confirmed and approved in their entirety.

Section 6. 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:

	<u><i>Yea</i></u>	<u><i>Nea</i></u>	<u><i>Absent</i></u>	<u><i>Abstain</i></u>
Alan Kravitz	[X]	[]	[]	[]
Arun Manansingh	[X]	[]	[]	[]
Deborah Post	[X]	[]	[]	[]
Melvin Burruss	[]	[]	[X]	[]
Frances Gibbs	[X]	[]	[]	[]
Nicholas Misch	[X]	[]	[]	[]
Charles Jennings	[X]	[]	[]	[]

The Resolutions were thereupon duly adopted.

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

I, the undersigned, Kathy Lockwood, Deputy Director of the CITY OF PEEKSKILL INDUSTRIAL DEVELOPMENT AGENCY, DO HEREBY CERTIFY:

That I have compared the annexed extract of minutes of the special meeting of the City of Peekskill Industrial Development Agency (the "Issuer"), including the resolution contained therein, held on June 26, 2012, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Issuer and of such resolution set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

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

I FURTHER CERTIFY that there was a quorum of the members of the Issuer 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 modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Issuer this 26 day of September, 2012.

[SEAL]

Kathy Lockwood
Kathy Lockwood, Deputy Director