

**BOND RESOLUTION  
HEALTH ALLIANCE SENIOR LIVING CORP.  
D/B/A WOODLAND POND AT NEW PALTZ PROJECT – 2014 REFUNDING PROJECT**

A regular meeting of the Board of Directors of Ulster County Capital Resource Corporation (the “Issuer”) was convened in public session at the Karen Binder Library, 6th Floor, 244 Fair Street, Kingston, New York on August 13, 2014 at 8:00 o’clock a.m., local time.

The meeting was called to order by the (Vice) Chairman of the Board of Directors of the Issuer and, upon roll being called, the following members of the Board of Directors of the Issuer were:

**PRESENT:**

Michael Horodyski	Chairman
John Morrow	Secretary
Robert Kinnin	Assistant Chairman/Assistant Secretary
James Malcolm	Assistant Chairman/Assistant Secretary
Floyd Lattin	Member
John Livermore	Member
Mary Sheeley	Member

**ABSENT:**

**ISSUER STAFF PRESENT INCLUDED THE FOLLOWING:**

Suzanne Holt	Director, Office of Economic Development
Linda Clark	Office of Economic Development
Karl Schlegel	Office of Economic Development
A. Joseph Scott, III, Esq.	Issuer and Bond Counsel

The following resolution was offered by \_\_\_\_\_, seconded by \_\_\_\_\_, to wit:

Resolution No. \_\_\_\_

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE BY ULSTER COUNTY CAPITAL RESOURCE CORPORATION OF ITS TAXABLE/TAX-EXEMPT REVENUE REFUNDING BONDS (HEALTH ALLIANCE SENIOR LIVING CORP. - WOODLAND POND AT NEW PALTZ PROJECT), SERIES 2014A AND SERIES 2014B IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$17,500,000 AND THE EXECUTION OF RELATED DOCUMENTS.

WHEREAS, Ulster County Capital Resource Corporation (the “Issuer”) 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 (the “Issuer”) under the Enabling Act and (B) appointing the initial members of the board of directors of the Issuer. In May, 2010, a certificate of incorporation was filed with

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

WHEREAS, the Issuer 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 Issuer will be performing essential governmental functions; and

WHEREAS, to accomplish its stated purposes, the Issuer 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 Issuer are principally to be conducted; and

WHEREAS, in July, 2014, Health Alliance Senior Living Corp. d/b/a Woodland Pond at New Paltz, a New York not-for-profit corporation (the "Company"), submitted an application (the "Application") to the Issuer, a copy of which Application is on file at the office of the Issuer, which Application requested that the Issuer consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) the refinancing, in whole, of the following outstanding revenue bonds issued by the Ulster County Industrial Development Agency: (1) the Civic Facility Revenue Bonds (Kingston Regional Senior Living Corp. - Woodland Pond at New Paltz Project), Series 2007B-1 Extendable Rate Adjustable Securities (EXTRAS) in the original aggregate principal amount of \$3,000,000 (the "Series 2007B-1 Bonds"), (2) the Civic Facility Revenue Bonds (Kingston Regional Senior Living Corp. - Woodland Pond at New Paltz Project), Series 2007B-2 Extendable Rate Adjustable Securities (EXTRAS) 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") and (3) the 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 collectively with the Series 2007B Bonds hereinafter collectively referred to as the "Series 2007 Prior Bonds"), the proceeds of which Series 2007 Prior Bonds provided financing for a project (the "Initial Project") described as follows: (a)(i) 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"); (ii) the construction on the Initial Land 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 (iii) 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; (c) the payment of a portion of the costs incidental to the issuance of the revenue bonds, including issuance costs of the revenue bonds, the funding of a debt service reserve fund, the cost of obtaining credit enhancement and the paying of capitalized interest on the revenue bonds; (d) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing, including potential exemptions from certain sales taxes, mortgage recording taxes, deed transfer taxes, and real property taxes; and (e) the sale of the Initial Project Facility to the Company; (B) the financing of all or a portion of the costs of the foregoing by the issuance of tax-exempt/taxable 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 Project, together with necessary

incidental costs in connection therewith, in an amount presently estimated to be approximately \$15,000,000 and in any event not to exceed \$17,500,000 (the "Obligations"); (C) paying a portion of the costs incidental to the issuance of the Obligations, including issuance costs of the Obligations and any reserve funds as may be necessary to secure the Obligations and (D) the making of a loan (the "Loan") of the proceeds of the Obligations to the Company or such other person as may be designated by the Company and agreed upon by the Issuer; and

WHEREAS, pursuant to the authorization contained in a resolution adopted by the members of the board of directors of the Issuer on July 9, 2014 (the "Preliminary Inducement Resolution"), the Chairman of the Issuer (A) caused notice of a public hearing of the Issuer (the "Public Hearing") pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") and, as provided in the Certificate of Incorporation, pursuant to the applicable provisions of Section 859-a and Section 859-b of the General Municipal Law of the State of New York (the "GML"), to hear all persons interested in the Project and the financial assistance being contemplated by the Issuer with respect to the Project, to be published on July 22, 2014 in The Daily Freeman, a newspaper of general circulation available to the residents of the Village of New Paltz, Ulster County, New York, (B) caused notice of the Public Hearing to be posted on July 22, 2014 on a public bulletin board located at (1) the Village Hall of the Village of New Paltz located at 25 Plattekill Avenue in the Village of New Paltz, Ulster County, New York, (2) the New Paltz Town Hall located at 1 Veteran Drive in the Town of New Paltz, Ulster County, New York, and (3) on the Issuer's website, (C) caused notice of the Public Hearing to be mailed on July 22, 2014 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is located, (D) conducted the Public Hearing on August 5, 2014 at 7:00 o'clock, p.m., local time at the Village Hall of the Village of New Paltz located at 25 Plattekill Avenue in the Village of New Paltz, Ulster County, New York, and (E) prepared a report of the Public Hearing (the "Public Hearing Report") which fairly summarized the views presented at such Public Hearing and caused copies of said Public Hearing Report to be made available to the members of the board of directors of the Issuer and to the County Executive of Ulster County, New York (the "County Executive"); 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 6NYCRR Part 617, as amended (the "Regulations" and collectively with the SEQR Act, "SEQRA"), by resolution adopted by the members of the board of directors of the Issuer on August 13, 2014 (the "SEQR Resolution"), the Issuer determined that the Project constituted a "Type II action" (as such quoted term is defined under SEQRA), and therefor that no further action with respect to the Project was required under SEQRA; and

WHEREAS, by certificate to be executed by the County Executive subsequent to this meeting (the "Public Approval"), the County Executive is expected to approve the issuance of the Obligations for purposes of Section 147(f) of the Code; and

WHEREAS, by the Preliminary Inducement Resolution, the board of directors of the Issuer determined, following a review of the Public Hearing Report, to proceed with the Project and to enter into a preliminary agreement with the Company (the "Preliminary Agreement") relating to the Project; and

WHEREAS, the Issuer will issue its Taxable/Tax-Exempt Revenue Refunding Bonds (Health Alliance Senior Living Corp. - Woodland Pond at New Paltz Project), Series 2014A (the "Series 2014A Bonds") and Taxable/Tax-Exempt Revenue Refunding Bonds (Health Alliance Senior Living Corp. - Woodland Pond at New Paltz Project), Series 2014B (the "Series 2014B Bonds", and collectively with the Series 2014A Bonds, the "Initial Bonds") in the aggregate principal amount of not to exceed \$17,500,000 under this resolution (the "Bond Resolution"), a certificate of determination (the "Certificate

of Determination”) executed by an authorized officer of the Issuer and a trust indenture (the “Indenture”) by and between the Issuer and UMB Bank, N.A. (the “Trustee”) for the holders of the Initial Bonds and any additional bonds issued by the Issuer under the Indenture (the “Additional Bonds”, and collectively with the Initial Bonds, the “Bonds”); and

WHEREAS, prior to or simultaneously with the issuance of the Initial Bonds, the Issuer and the Company will execute and deliver a loan agreement dated as of September 1, 2014 (the “Loan Agreement”) by and between the Issuer, as lender, and the Company, as borrower, pursuant to the terms of which Loan Agreement (A) the Issuer will agree (1) to issue the Initial Bonds, and (2) to make a loan to the Company of the proceeds of the Initial Bonds (the “Loan”) for the purpose of assisting in financing the Project, and (B) in consideration of the Loan, the Company will agree (1) to approve the Bond Details relating to the Initial Bonds, (2) to cause the Project to be undertaken and completed, (3) to use the proceeds of the Loan disbursed under the Indenture to pay (or reimburse the Company for the payment of) the costs of the Project, and (4) to make payments in amounts sufficient to pay when due all amounts due with respect to the Initial Bonds (the “Loan Payments”) to or upon the order of the Issuer in repayment of the Loan, which Loan Payments shall include amounts equal to the Debt Service Payments (as defined in the Indenture) due on the Initial Bonds; and

WHEREAS, pursuant to the terms of the Indenture, the net proceeds of the sale of the Initial Bonds (the “Bond Proceeds”) will be deposited into various trust funds held by the Trustee under the Indenture and will be disbursed by the Trustee from time to time to pay the costs of the Project, but only upon satisfaction of the requirements for making such disbursements set forth in the Indenture and in the Loan Agreement.; and

WHEREAS, as security for the Initial Bonds, the Issuer will execute and deliver to the Trustee a pledge and assignment dated as of September 1, 2014 (the “Pledge and Assignment”) from the Issuer to the Trustee, and acknowledged by the Company, which Pledge and Assignment will assign to the Trustee certain of the Issuer’s rights under the Loan Agreement. Pursuant to the Pledge and Assignment, basic Loan Payments made by the Company under the Loan Agreement are to be paid directly to the Trustee; and

WHEREAS, as further security for the Initial Bonds, (A) the Company will execute and deliver to the Issuer a mortgage and security agreement dated as of September 1, 2014 (the “Mortgage”) from the Company to the Issuer, which Mortgage, among other things, grants to the Issuer a mortgage lien on, and a security interest in, among other things, the Project Facility, and (B) the Issuer will execute and deliver to the Trustee an assignment of mortgage dated as of September 1, 2014 (the “Mortgage Assignment”) from the Issuer to the Trustee, pursuant to which the Issuer will assign the Mortgage to the Trustee; and

WHEREAS, the Mortgage and the Series 2007 Bond Mortgage (as defined in the Indenture) are on parity with each pursuant to an intercreditor agreement dated as of September 1, 2014 (the “Intercreditor Agreement”) by and between the Trustee and the Series 2007 Trustee (as defined in the Indenture) and acknowledged by the Company, the Issuer and the Agency; and

WHEREAS, prior to or simultaneously with the issuance of the Initial Bonds, the following additional documents will be delivered: (A) an escrow agreement dated as of September 1, 2014 (the “Defeasance Escrow Agreement”) by and among the Issuer, the Company, the Series 2007 Trustee and the Trustee, pursuant to which (1) an escrow deposit will be made with the Series 2007 Trustee, in an amount sufficient to enable the Series 2007 Trustee to redeem the Series 2007 Prior Bonds in full, (2) the Series 2007 Trustee will deliver to the Issuer and the Company various termination documents terminating and discharging the Series 2007 Trustee’s interest in the Initial Project (collectively, the “Series 2007 Trustee Termination Documents”), and (3) the Series 2007 Bank (as defined in the

Indenture) will deliver to the Issuer and the Company various termination documents terminating and discharging the Series 2007 Bank's interest in the Initial Project (collectively, the "Series 2007 Bank Termination Documents," and, collectively with the Series 2007 Trustee Termination Documents, the "Termination Documents"), (B) the Series 2007 Trustee will agree to send defeasance notices relating to the Series 2007 Prior Bonds, and (C) the Series 2007 Trustee will agree to call the Series 2007 Prior Bonds for redemption at a future date; and

WHEREAS, the Initial Bonds will be initially purchased by B.C. Ziegler and Company, acting as underwriter for the Initial Bonds (the "Underwriter") pursuant to a bond purchase agreement dated as of September \_\_, 2014 (the "Initial Bond Purchase Agreement") by and among the Underwriter, the Issuer and the Company. The Company will provide indemnification to the Issuer and the Underwriter relating to the issuance and sale of the Initial Bonds pursuant to a letter of representation dated September \_\_, 2014 (the "Initial Letter of Representation") by and among the Company, the Issuer and the Underwriter. The Underwriter will utilize a Preliminary Limited Offering Document and/or a Final Limited Offering Document in connection with the initial offering of the Initial Bonds; and

WHEREAS, to assure compliance with the continuing disclosure requirements imposed by the Securities and Exchange Commission, the Company will execute and deliver to the Underwriter and the Trustee a continuing disclosure agreement dated as of September \_\_, 2014 (the "Continuing Disclosure Agreement") relating to the Initial Bonds. The Initial Bonds will be issued as "book-entry-only" obligations to be held by The Depository Trust Company, as depository (the "Depository") for the Initial Bonds, and, to comply with the requirements of the Depository, the Issuer and the Trustee will execute and deliver to the Depository a letter of representations (the "Depository Letter") relating to the Initial Bonds; and

WHEREAS, to demonstrate compliance with the provisions of the Code relating to the issuance of tax-exempt obligations, (A) the Issuer will (1) execute an arbitrage certificate dated the date of delivery of the Initial Bonds (the "Initial Arbitrage Certificate") relating to certain requirements set forth in Section 148 of the Code relating to the Initial Bonds, (2) execute a completed Internal Revenue Service Form 8038 (Information Return for Private Activity Bonds) relating to the Initial Bonds (the "Information Return") pursuant to Section 149(e) of the Code, and (3) file the Information Return with the Internal Revenue Service, (B) the Company will execute a tax regulatory agreement dated the date of delivery of the Initial Bonds (the "Initial Tax Regulatory Agreement") relating to the requirements in Sections 145 through 150 of the Code relating to the Initial Bonds, (C) the Underwriter will execute a letter (the "Initial Issue Price Letter") confirming the issue price of the Initial Bonds for purposes of Section 148 of the Code; and

WHEREAS, the Initial Bonds will be further secured and marketed as provided in the Certificate(s) of Determination; and

WHEREAS, the Issuer now desires to (A) authorize the issuance of the Bonds for the purpose of financing a portion of the costs of the Project; (B) authorize the circulation of any Preliminary Limited Offering Document and any Final Limited Offering Document in connection with the marketing of any or all of the Bonds; (C) delegate to the Chairman, the Vice Chairman or the Authorized Officer of the Issuer (the "Authorizing Officer") authority to deem as final any Preliminary Limited Offering Document and any Final Limited Offering Document to be used by the Underwriter in connection with the marketing of any or all of the Bonds; (D) delegate to the Authorizing Officer authority to determine the final details of any of the Bonds (the "Bond Details") once the marketing of such Bonds is completed and the Company has agreed to the Bond Details, which Bond Details so determined may include but not be limited to the following: (1) the aggregate principal amount of Bonds to be issued; (2) the number of series thereof; and (3) for each series of the Bonds (each, a "Series"), (a) the authorized principal amount of such Series,

(b) whether such Series shall include subseries of such Series (each, a “Subseries”), (c) the designation of such Series and any Subseries, (d) the purpose or purposes for which such Series is being issued, which shall be limited to (i) payment of the costs of the Project, (ii) payment of the costs of issuance of such Series, (iii) making a deposit to a debt service reserve fund securing such Series, if any, (iv) funding or refunding of the Prior Debt, which may include interest thereon, (v) funding or refunding of other debt of the Issuer, which may include interest thereon, all or a portion of the proceeds of which were applied to making a loan to the Company, and (vi) exchanging bonds of such Series for bonds, notes or other evidences of indebtedness of the Company or of the Issuer issued on behalf of the Company, (e) whether a debt service reserve fund is established securing such Series, the debt service reserve fund requirement relating to same, the terms and conditions for such debt service reserve fund and the terms and conditions upon which a reserve fund facility may be used to fund all or a portion of the debt service reserve fund, (f) the date or dates, the maturity date or dates and principal amounts of each maturity of the bonds of such Series and/or Subseries, the amount and date of each sinking fund installment, if any, and which bonds of such Series and/or Subseries are serial bonds or term bonds, if any, and the record date or record dates of the bonds of such Series and/or Subseries, (g) the interest rate or rates of the bonds of such Series and/or Subseries, the date from which interest on the bonds of such Series and/or Subseries shall accrue, the dates on which interest on the bonds of such Series and/or Subseries shall be payable, (h) the denomination or denominations of and the manner of numbering and lettering the bonds of such Series and/or Subseries, (i) the trustee, bond registrar and paying agent or paying agents for such Series and/or Subseries and the place or places of payment of the principal, sinking fund installments, if any, or redemption price of and interest on the bonds of such Series and/or Subseries, (j) the redemption price or purchase in lieu of redemption price or redemption prices or purchase in lieu of redemption prices, if any, and the redemption or purchase in lieu of redemption terms, if any, for the bonds of such Series and/or Subseries, (k) provisions for the sale or exchange of the bonds of such Series and/or Subseries and for the delivery thereof, (l) the form of the bonds of such Series and/or Subseries and the form of the trustee’s certificate of authentication thereon, and whether any bonds of such Series and/or Subseries are to be issued as book entry bonds and the depository therefor, (m) if bonds of such Series and/or Subseries are to be exchanged for bonds, notes or other evidence of indebtedness of the Company or the Issuer, the provisions regarding such exchange, (n) directions for the application of the proceeds of the bonds of such Series and/or Subseries, (o) the trustee for such Series and/or Subseries, and (p) any other provisions deemed advisable by the Authorizing Officer not in conflict with the provisions of this Bond Resolution; and (D) authorize execution and delivery by the Issuer of various documents relating to the issuance of the Bonds, including but not limited to the hereinafter defined Issuer Documents;

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

Section 1. The Issuer hereby finds and determines that:

(A) By virtue of the Certificate of Incorporation and the Enabling Act, the Issuer has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Enabling Act and to exercise all powers granted to it under the Enabling Act; and

(B) The financing of the Initial Project Facility and the refinancing thereof with the proceeds of the Loan to the Company will relieve and reduce unemployment, promote and provide for additional and maximum employment and better and maintain job opportunities, and thereby lessen the burdens of government; and

(C) It is desirable and in the public interest for the Issuer to issue and sell its Initial Bonds upon the terms and conditions determined by the Chairman, the Vice Chairman or the

Authorized Officer of the Issuer once the marketing of the Initial Bonds is completed and the Company has agreed to the Bond Details; and

(D) Neither the members, directors or officers of the Issuer, nor any person executing the Obligations, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution, issuance or delivery thereof. Further, that the Obligations and the interest thereon are not and shall never be a debt of the State of New York, or Ulster County, New York or any political subdivision thereof, and neither the State of New York, or Ulster County, New York nor any political subdivision thereof shall be liable thereon. Accordingly, the members of the Issuer, comprising the members of the Finance Committee of the Issuer, recommend the Issuer to consider this Bond Resolution authorizing the issuance of the Obligations.

Section 2. In consequence of the foregoing, the Issuer hereby determines to: (A) authorize the use of, and authorize the Chairman, the Vice Chairman or the Authorized Officer of the Issuer the authority to determine the form and substance of, and deem final, any Preliminary Limited Offering Document and any Final Limited Offering Document to be used by the Underwriter in connection with the initial offering and/or any subsequent offering of any of the Bonds, (B) authorize the Chairman, the Vice Chairman or the Authorized Officer of the Issuer the authority to (1) execute and deliver on behalf of the Issuer any Bond Purchase Agreement related to any of the Bonds and (2) determine, on behalf of the Issuer, from time to time the Bond Details relating to the Bonds; (C) issue the Bonds from time to time on the terms and conditions set forth in the Indenture, the related Certificate of Determination and any Bond Purchase Agreement related to such Bonds, (D) sell any or all of the Bonds to the initial and/or subsequent purchasers thereof pursuant to the terms set forth in the Indenture, the related Certificate of Determination and any related Bond Purchase Agreement, (E) use the proceeds of the Bonds to make the Loan to the Company for the purpose of financing a portion of the costs of issuance of the Bonds and a portion of the costs of the Project, (F) secure the Bonds by assigning to the Trustee pursuant to the Pledge and Assignment certain of the Issuer's rights under the Loan Agreement, including the right to collect and receive certain amounts payable thereunder, (G) further secure the Bonds by assigning the Mortgage to the Trustee, (H) execute from time to time the Arbitrage Certificate(s) and the Information Return(s) with respect to the Bonds, and (I) file the Information Return(s) with the IRS.

Section 3. The Issuer hereby delegates to the Chairman, the Vice Chairman or the Authorized Officer of the Issuer the power to approve, on behalf of the Issuer, the form and substance of the Loan Agreement, the Indenture, the Bonds, the Pledge and Assignment, the Mortgage Assignment, the Intercreditor Agreement, the Initial Bond Purchase Agreement, the Defeasance Escrow Agreement, the Preliminary Limited Offering Document(s), the Final Limited Offering Document(s), the Arbitrage Certificate(s), the Information Return(s), the Depository Letter(s) and any documents necessary and incidental thereto including, but not limited to, any documents authorized by any Certificate of Determination and approved by counsel to the Issuer (hereinafter collectively called the "Issuer Documents").

Section 4. Subject to receipt by the Issuer of the executed certificate from the County Executive indicating that the County Executive has approved the issuance of the Initial Bonds pursuant to, and solely for the purposes of, Section 147(f) of the Code, the Issuer is hereby authorized to issue, execute, sell and deliver to the Trustee for authentication its Initial Bonds in the aggregate principal amount of not to exceed \$17,500,000 or so much as necessary to finance the Costs of the Project, in the amount, in the form and in the amount and containing the other provisions determined by the Chairman, the Vice Chairman or the Authorized Officer of the Issuer in the Certificate of Determination, and upon authentication thereof the Trustee is hereby authorized to deliver said Initial Bonds to the purchasers thereof against receipt of the purchase price thereof, all pursuant to the Enabling Act and in accordance

with the provisions of the Indenture, this Bond Resolution, the Certificate of Determination and the Initial Bond Purchase Agreement, provided that:

(A) The Initial Bonds authorized to be issued, executed, sold and delivered pursuant to this Section 4 shall (1) be issued, executed and delivered at such time as the Chairman, the Vice Chairman or the Authorized Officer of the Issuer shall determine, and (2) bear interest at the rate or rates, be issued in such form, be subject to redemption prior to maturity and have such other terms and provisions and be issued in such manner and on such conditions as are set forth in the Initial Bonds, the Indenture and the Certificate of Determination, or as are hereinafter approved by the Chairman, the Vice Chairman or the Authorized Officer of the Issuer in accordance with Section 5 hereof, which terms are specifically incorporated herein by reference with the same force and effect as if fully set forth in this Bond Resolution.

(B) The Initial Bonds shall be issued solely for the purpose of providing funds to finance (1) the costs of making the Loan for the purpose of financing a portion of the costs of the Initial Project as described in the Issuer Documents, and (2) a portion of the administrative, legal, financial and other expenses of the Issuer in connection with the Loan and the Initial Project and incidental to the issuance of the Initial Bonds.

(C) Neither the members, directors nor officers of the Issuer, nor any person executing the Initial Bonds or any of the Financing Documents (as hereinafter defined) on behalf of the Issuer, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution, issuance or delivery thereof. The Initial Bonds and the interest thereon are not and shall never be a debt of the State of New York, or Ulster County, New York or any political subdivision thereof (other than the Issuer), and neither the State of New York, or Ulster County, New York nor any political subdivision thereof (other than the Issuer) shall be liable thereon.

(D) The Initial Bonds, together with interest payable thereon, shall be special obligations of the Issuer payable solely from certain of the revenues and receipts derived from the repayment of the Loan or from the enforcement of the security provided by the Financing Documents (as hereinafter defined) and the other security pledged to the payment thereof.

(E) Notwithstanding any other provision of this Bond Resolution, the Issuer covenants that it will make no use of the proceeds of the Initial Bonds or of any other funds of the Issuer (other than the Issuer's administrative fees) which, if said use had been reasonably expected on the date of issuance of the Initial Bonds, would have caused any of the Initial Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Code.

Section 5. (A) Upon receipt of advice from counsel to the Issuer that the Preliminary Limited Offering Document is in substantially final form, the Issuer hereby delegates to the Chairman, the Vice Chairman or the Authorized Officer of the Issuer the authority to (1) deem the Limited Offering Document final (except for the permitted omissions described in paragraph (b)(1) of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended) by executing a certificate to that effect, (2) authorize the Underwriter to circulate the Preliminary Limited Offering Document and (3) execute and deliver any other documents or agreements requested by the Underwriter in connection with the circulation of the Preliminary Limited Offering Document by the Underwriter.

(B) Upon receipt of advice from counsel to the Issuer that the Issuer has received from the Underwriter the results of the initial marketing of the Initial Bonds and has received from the Company evidence that the Company has accepted the results of the initial marketing of



the Initial Bonds, the Issuer hereby delegates to the Chairman, the Vice Chairman or the Authorized Officer of the Issuer the authority to (1) execute and deliver the Initial Bond Purchase Agreement on behalf of the Issuer and (2) determine, on behalf of the Issuer, the final details of the Initial Bonds.

(C) The Chairman, the Vice Chairman or the Authorized Officer of the Issuer is hereby authorized, on behalf of the Issuer, to execute and deliver the Issuer Documents and the other documents related thereto (collectively with the Issuer Documents, the "Financing Documents"), and, where appropriate, the Secretary (or Assistant Secretary) of the Issuer is hereby authorized to affix the seal of the Issuer thereto and to attest the same, all in substantially the forms thereof approved by the Chairman, the Vice Chairman or the Authorized Officer of the Issuer, with such changes, variations, omissions and insertions as the Chairman, the Vice Chairman or the Authorized Officer of the Issuer shall approve, the execution thereof by the Chairman, the Vice Chairman or the Authorized Officer of the Issuer to constitute conclusive evidence of such approval.

(D) The Chairman, the Vice Chairman or the Authorized Officer of the Issuer is hereby further authorized, on behalf of the Issuer, to designate any additional Authorized Representatives of the Issuer (as defined in and pursuant to the Loan Agreement).

(E) The Chairman, the Vice Chairman or the Authorized Officer of the Issuer is hereby further authorized to execute any documentation requested by the Underwriter to indicate the Issuer's approval of the Preliminary Limited Offering Document and/or the Final Limited Offering Document.

Section 6. The officers, employees and agents of the Issuer are hereby authorized and directed for and in the name and on behalf of the Issuer to do all acts and things required or provided for by the provisions of the Financing 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 this Bond Resolution and to cause compliance by the Issuer with all of the terms, covenants and provisions of the Financing Documents binding upon the Issuer.

Section 7. All action taken by the Chairman, the Vice Chairman or the Authorized Officer of the Issuer in connection with Section 5(A) and/or Section 5(B) of this Bond Resolution, prior to the date of this Bond Resolution, is hereby ratified and confirmed.

Section 8. This Bond Resolution shall take effect immediately and the Initial Bonds are hereby ordered to be issued in accordance with this Bond Resolution.

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

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

The foregoing Bond Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of Ulster County Capital Resource Corporation (the “Issuer”), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Board of Directors of the Issuer, including the Resolution contained therein, held on August 13, 2014 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained 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 Board of Directors of the Issuer 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 duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Board of Directors 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 rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Issuer this 13th day of August, 2014.

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(Assistant) Secretary

(SEAL)