

Chartwell Consent Resolution

A regular meeting of the Nassau County Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency located at 1550 Franklin Avenue, Suite 235, Mineola, County of Nassau, New York, on October 5, 2011, at 5:30 p.m., local time.

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

PRESENT:

Jeffrey L. Seltzer	Chairman
Bruce Ungar	Treasurer
Christopher Fusco	Asst. Secretary

ABSENT:

Gary Weiss	Secretary
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THE FOLLOWING PERSONS WERE ALSO PRESENT:

Joseph J. Kearney	Executive Director
Colleen Pereira	Administrative Director
Mary Dolan Grippo	Chief Marketing Officer
Joseph Foarile	Chief Financial Officer
Edward Ambrosino, Esq.	General Counsel
Paul O'Brien, Esq.	Bond/Transaction Counsel

The attached resolution no. 2011-36 was offered by B. Ungar, seconded by C. Fusco:

Resolution No. 2011-36

RESOLUTION OF THE NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING CERTAIN MATTERS IN CONNECTION WITH ITS STRAIGHT-LEASE TRANSACTIONS WITH CSH WESTBURY LP, CSH NORTH HILLS LP AND CSH MASSAPEQUA LP

WHEREAS, the Nassau County Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title I of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act"), and Chapter 674 of the 1975 Laws of New York, as amended, constituting Section 922 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing, industrial and commercial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, the Agency entered into "straight-lease" transactions (as such quoted term is used in the Act) with CSH Westbury LP, CSH North Hills LP and CSH Massapequa LP (each, an "Applicant" and collectively, the "Applicants") pursuant to Lease Agreements dated as of February 1, 2007 between the Agency and each of the Applicants (as amended, collectively, the "Lease Agreements"); and

WHEREAS, Section 10.1(A)(7) of each of the Lease Agreements provides that no interests in the Applicants may be sold, assigned, transferred, conveyed, mortgaged, pledged, hypothecated or alienated without the prior written consent of the Agency, which consent may be withheld in the Agency's reasonable discretion; and

WHEREAS, the Applicants have requested that the Agency consent to a reorganization of the organizational structure of each Applicant in which the limited partnership interests in each Applicant will be transferred by CSH-INGRE LLC to Bristol Holding LLC; and

WHEREAS, the Agency is willing to consent to such request, subject to the terms of this resolution;

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

1. Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Lease Agreements.
2. The Agency determines that the Applicants' request with respect to a previously approved and unchanged Project is a Type II Action pursuant to SEQRA involving

“continuing agency administration” which does not involve “new programs or major reordering of priorities that may affect the environment” (6 NYCRR §617.5(c)(20)) and therefore no Findings or determination of significance are required under Article 8 of the New York Environmental Conservation Law.

3. The Agency hereby consents to the Reorganization as outlined in the materials submitted by the Applicants to the Agency attached hereto as Exhibit A, subject to the terms of this resolution.

4. The Chairman, Vice Chairman, Executive Director and Administrative Director of the Agency are each hereby designated the Authorized Representative of the Agency and each of them is hereby authorized and directed to execute and deliver any and all consents, agreements, papers, instruments, opinions, certificates, affidavits and other documents reasonably requested by the Applicants in connection with the Reorganization (collectively, the “Consent Documents”), and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution, including, without limitation, taking any necessary action to obtain consent of any other person or party necessary with respect to execution, delivery and approval of the Consent Documents.

5. The authorizations set forth in this Resolution are subject to the condition that the Company shall reimburse the Agency for all costs and expenses incurred by the Agency in connection with the transactions contemplated herein, including, without limitation, the Agency’s consent fee in the amount of \$1,000 and all reasonable attorneys’ fees and disbursements incurred by the Agency, including without limitation, the fees and expenses of the Agency’s attorneys.

6. All covenants, stipulations, obligations and agreements of the Agency contained in this Resolution and the Consent Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency and its successors from time to time; provided, however, that no covenants, stipulations, obligations or agreements of the Agency contained in this Resolution or any Consent Document shall give rise to any pecuniary liability of the Agency or a charge against its general credit or shall obligate the Agency in any way except to the extent that the same can be paid or recovered from the Project Facility (as defined in the Lease Agreements) or the sale or liquidation of the Project Facility or revenues therefrom.

No covenant, stipulation, obligation or agreement herein contained or contained in any Consent Document shall be deemed to be a covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity and neither the members of the Agency nor any officer executing any Consent Document shall be liable personally on the Consent Documents or be subject to any personal liability or accountability by reason of the issuance thereof.

7. The Chairman, Executive Director and Administrative Director of the Agency are each hereby authorized to approve modifications to the terms approved herein which

are not inconsistent with the intent and substance of this Resolution, such approval to be evidenced by the execution by any one of such officers of the Consent Documents containing such modifications.

8. 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:

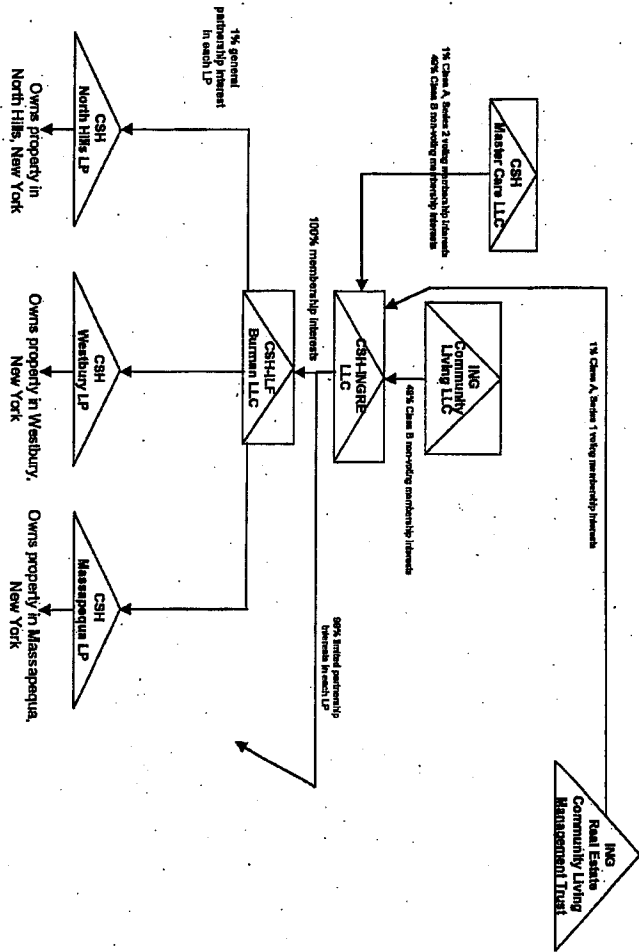
Jeffrey L. Seltzer	VOTING	Aye
Bruce Ungar	VOTING	Aye
Christopher Fusco	VOTING	Aye
Gary Weiss	EXCUSED	

The foregoing Resolution was thereupon declared duly adopted.

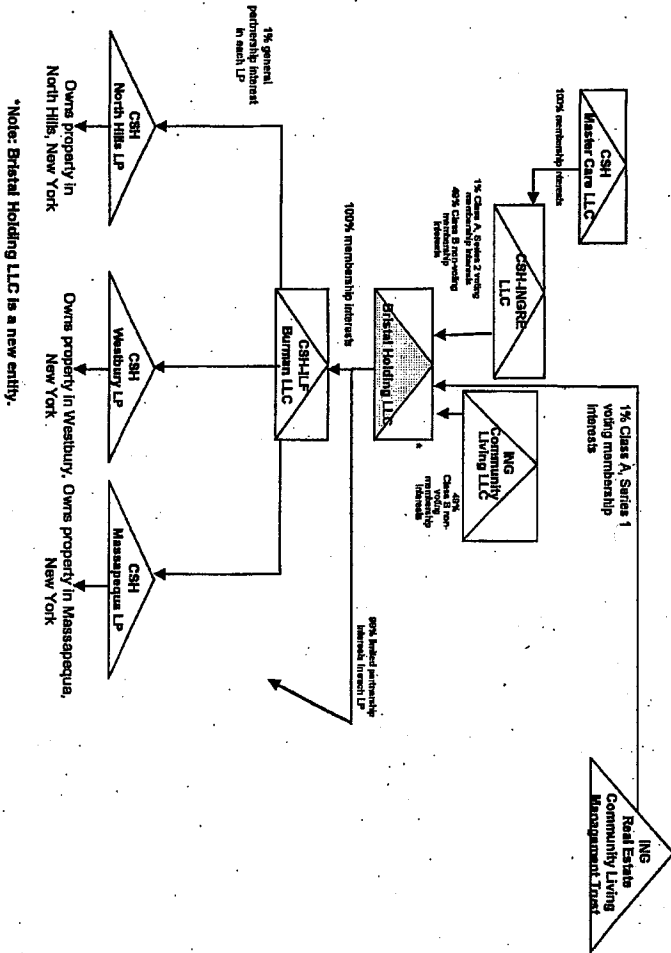
Exhibit A

See Attached

BEFORE



AFTER



CSH Master Care LLC ("Chartwell") and ING Community Living LLC and its affiliates ("ING Community Living") are each 50/50 joint venture partners in CSH-INGRE LLC ("CSH-INGRE"), a Delaware limited liability company which owns, through various subsidiaries, a number of senior housing properties throughout the United States. CSH-INGRE is currently the direct 99% limited partner in each of CSH Westbury LP, CSH North Hills LP and CSH Massapequa LP, which lease from the Nassau County IDA the Bristol seniors housing facilities in Westbury, North Hills and Massapequa, New York (the "Nassau IDA Bristol Facilities"), respectively, and CSH-INGRE also owns 100% of the membership interests in the general partner of each of these entities.

Chartwell has agreed to buy ING Community Living's 50% interest in each jointly owned seniors housing project (collectively, the "Non-New York Properties") other than the Nassau IDA Bristol Facilities and two other Bristol properties in New York. The purchase of the Non-New York Properties is being structured as a sale of ING Community Living's interest in CSH-INGRE LLC for various tax and corporate reasons. However, since Chartwell and ING desire to continue to jointly own as 50/50 partners the Nassau IDA Bristol Facilities, the parties desire to assign CSH-INGRE's 99% limited partnership interest in each of CSH Westbury LP, CSH North Hills LP and CSH Massapequa LP to Bristol Holding Company LLC, a Delaware limited liability company. Bristol Holding Company LLC will be owned 50% by CSH-INGRE (and CSH-INGRE will in turn be 100% owned by Chartwell) and 50% by ING Community Living. Bristol Holding Company LLC will also own 100% of the membership interests in the general partner of each of CSH Westbury LP, CSH North Hills LP and CSH Massapequa LP.

The above-described entity reorganization is therefore necessary for Chartwell and ING Community Living to complete business transactions unrelated to the Nassau IDA Bristol Facilities. However, from a business perspective Chartwell and ING Community Living believe there is no change in the effective ownership of the Nassau IDA Bristol Facilities following the closing of this transaction.