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ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

Buffalo, New York

Industrial Development Lease Transaction
(2005 Episcopal Church Home & Affiliates Life Care Community, Inc. Project)

RECORD OF PROCEEDINGS

Dated: As of June 1, 2005

Delivered: June 17, 2005

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

Buffalo, New York

Industrial Development Lease Transaction
(2005 Episcopal Church Home & Affiliates Life Care Community, Inc. Project)

TABLE OF CONTENTS

1. Amendment to Lease Agreement, dated as of June 1, 2005, between the Erie County Industrial Development Agency (the "Agency") and Episcopal Church Home & Affiliates Life Care Community, Inc. (the "Lessee"), consented to by Manufacturers and Traders Trust Company, as Trustee (the "Trustee").
2. Amended Memorandum of Lease Agreement, dated as of June 1, 2005, between the Agency and the Lessee.
3. Amendment to Agreement for Payment in Lieu of Real Estate Taxes, dated as of June 1, 2005, between the Agency and the Lessee.
4. Environmental Compliance and Indemnification Agreement, dated as of June 1, 2005, from the Lessee to the Agency.
5. Certificate as to establishment of the Agency and as to appointment of the members thereof.
6. Agency General Certificate.
7. Opinion of Hurwitz & Fine, P.C., Counsel to the Agency.
8. Lessee General Certificate.
9. Insurance Certificates.
10. Copy of mortgagee title insurance binder.
11. Survey.
12. Copies of Current PILOT Receipts.
13. Opinion of Phillips, Lytle LLP Counsel to the Lessee.

14. SEQRA Materials.
15. Phase-1 Environmental Report on Property.
16. Agency Counsel Disclosure Form.
17. Company's Federal Taxpayer Identification Number.
18. Mortgage Loan Documents.
19. Intercreditor Agreement.
20.
 - (a) Release of Credit Provider (Existing Bond Transaction).
 - (b) Opinion of Lessee's Counsel.
 - (c) Certificate Re: Financial Covenants.

AMENDMENT TO LEASE AGREEMENT

THIS AMENDMENT TO LEASE AGREEMENT ("Amendment"), dated as of June 1, 2005, is entered into by and between ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, duly organized and existing under the laws of the State of New York (the "Agency"), with an office at 275 Oak Street, Buffalo, New York 14203, and EPISCOPAL CHURCH HOME & AFFILIATES LIFE CARE COMMUNITY, INC., a not-for-profit corporation duly organized and existing under the laws of the State of New York (the "Lessee"), having its principal office at 705 Renaissance Drive, Williamsville, New York 14221.

RECITALS:

A. The Agency and the Lessee have entered into a certain Lease Agreement dated as of February 1, 1998 (the "Lease Agreement") with regard to a "Project" (as defined in such Lease Agreement) commonly known as Canterbury Woods. All terms with initial capital letters in these Recitals, unless otherwise defined herein, shall have the meanings ascribed to them in the Lease Agreement.

B. The Lessee has requested that the Agency provide certain financial assistance in connection with certain Capital Additions, to be known as "Lexington Village", which will include 40 dwelling units in single and duplex buildings with a 3,575+/- community building/clubhouse, along with infrastructure improvements, landscaping and the acquisition and installation of personal property in connection therewith (the "Phase II Project").

C. In order to provide such financial assistance, the Lessee has requested that the Agency amend the Lease Agreement (i) to reflect the provision of financial assistance for the Phase II Project, (ii) to extend the term of the Lease Agreement to December 31, 2035 (to correspond with the expiration of such additional financial assistance), and (iii) to make other conforming changes to the provisions of the Lease Agreement.

D. In order to provide such financial assistance, the Lessee has also requested that the Agency amend the PILOT Agreement to provide for a fixed schedule of payments in lieu of real estate taxes with regard to the Phase II Project, rather than the "as if owned" payments currently required for the Phase II Project under the PILOT Agreement.

E. The payments required in the PILOT Agreement with regard to the Project were based upon the presumption that the Phase I-A Project would be constructed. To date, the Phase I-A Project has not been constructed, and the Lessee has requested that the Agency amend the PILOT Agreement to provide for a reduction in the required payments in lieu of real estate taxes with regard to the Project until such time as the Phase I-A Project is constructed, in whole or in part.

F. The Lessee intends to finance the Phase II Project without the issuance of life care community revenue bonds by the Agency, through a conventional loan to be obtained from KeyBank National Association ("Lender"), which loan is to be secured by a mortgage on the Facility.

G. The Trustee, for itself and as transferee of the interests of Banque Paribas (as Credit Facility Provider), and the Lender are entering into a certain Intercreditor Agreement of even date to establish their relative lien priorities in the Facility.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Recitals. The foregoing Recitals are hereby incorporated into this Amendment and made a part hereof as if fully set forth herein.

2. Definitions.

(a) All terms with initial capital letters as used in this Amendment, unless otherwise defined herein, shall have the meanings ascribed to them in the Lease Agreement.

(b) The street address of the Agency, as set forth throughout the Lease Agreement, is hereby amended in each instance to read: "275 Oak Street, Buffalo, New York 14203, Attention: President/CEO/Executive Director". The street address of the Lessee, as set forth throughout the Lease Agreement, is hereby amended in each instance to read: "705 Renaissance Drive, Williamsville, New York 14221, Attention: President/CEO".

(c) The following additional definitions are added to Section 1.1 of the Lease Agreement:

"Lender" shall mean KeyBank National Association, a bank organized under the laws of the United States of America, with offices located at 127 Public Square, 8th Floor, Cleveland, Ohio 44114.

"KeyBank Mortgage" shall mean, collectively, that certain Construction Loan Mortgage, Assignment of Rents, Security Agreement and Fixture Filing, dated June __, 2005 from the Agency and the Lessee to the Lender, securing debt in the amount of \$11,356,079.00, and that certain Project Loan Mortgage, Assignment of Rents, Security Agreement and Fixture Filing, dated June __, 2005 from the Agency and the Lessee to the Lender, securing debt in the amount of \$2,173,921.00, and shall include any and all amendments and supplements hereafter made in conformity therewith.

"Phase II Project" shall mean certain Capital Additions to be made to the existing life care community commonly known as Canterbury Woods, which will include 40 dwelling units in single and duplex buildings with a 3,575+/- square foot community building/clubhouse, along with infrastructure improvements, landscaping and the acquisition and installation of personal property in connection therewith, all to be located on a 17.61 acre portion of the Facility Realty commonly known as 601-681 Renaissance Drive, Williamsville, New York, and designated as SBL #56.11-8-1./A.

(d) Certain of the definitions set forth in Section 1.1 of the Lease Agreement are hereby amended as follows:

(i) The definition of "Agreement" is hereby deleted, and replaced with the following: "Agreement" shall mean this Lease Agreement dated as of February 1, 1998, between the Agency and the Lessee, as amended by that certain Amendment to Lease Agreement dated as of June 1, 2005, between the Agency and the Lessee, and shall include any and all amendments hereto hereafter made in conformity herewith and with the Indenture.

(ii) The words "and the Phase II Project" are hereby added after the word "Project" where it occurs in clause "iii" of the definition of "Agency's Reserved Rights".

(iii) The following is added as a second sentence to the definition of "Bond Resolution": The term Bond Resolution shall also include the resolution of the Agency adopted on June 13, 2005, authorizing the execution of the KeyBank Mortgage, the execution and delivery of documents amending this Agreement, the PILOT Agreement and the other Bond Documents, and the provision of financial assistance in connection with the Phase II Project, as such resolution may be amended or supplemented from time to time.

(iv) The following is added as a second sentence to the definition of "Compliance Agreement": The term Compliance Agreement shall also include the Environmental Compliance and Indemnification Agreement dated as of June 1, 2005 from the Lessee for the benefit of the Agency, and shall include any and all amendments and supplements thereto hereafter made in conformity therewith.

(v) The words "and the Phase II Project" are hereby added after the word "Project" where it occurs in both instances in the definition of "Exempt Property".

(vi) The words "and the Phase II Project" are hereby inserted after the word "Project" where it occurs in the definition of "Facility Equipment".

(vii) The following is added as a second sentence to the definition of "Inducement Date": The term Inducement Date shall, with regard to the Phase II Project, mean June 13, 2005.

(viii) The term "Occupancy Date" is hereby deleted, and replaced with the following: "Occupancy Date" shall mean, with respect to the Project, the Phase I-A Project, the Phase II Project or a portion of any of them, the respective date on which the certificate of occupancy for the Project, the Phase I-A Project, the Phase II Project or a portion of any of them, as applicable, is issued.

(ix) The term "PILOT Agreement" is hereby deleted, and replaced with the following: "PILOT Agreement" shall mean the Agreement for Payment in Lieu of Real Estate Taxes dated as of February 1, 1998, between the Agency and the Lessee, as amended by that certain Amendment to Agreement for Payment in Lieu of Real Estate Taxes dated as of June 1, 2005, between the Agency and the Lessee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith.

3. Recognition of the Phase II Project. The words "and the Phase II Project" are hereby added after the word "Project" where it occurs in Section 1.5(d), (e), (j) and (l), Section 2.1(c), (d) and (e), Section 2.5, Section 4.3, Section 4.7, Section 6.2(a) and Section 6.36(a) and (b)

of the Agreement, with any required changes in verb tense that may result from such additions also being made to those sections.

4. Term. Section 3.2 of the Lease Agreement is hereby modified, by deleting the term "December 31, 2028" on the second line thereof, and replacing the same with the term "December 31, 2035".

5. Termination of Agreement.

(a) Any transfer of the Facility from the Agency to the Lessee pursuant to Article VIII of the Lease Agreement or otherwise shall be subject to the lien of the KeyBank Mortgage.

(b) Section 8.4 of the Lease Agreement is hereby deleted in its entirety, and replaced with the following:

Section 8.4. Termination of Agreement. After payment in full of the Bonds or provision for the payment in full thereof having been made in accordance with Section 9.01 of the Indenture, the Lessee shall pay the reasonable expenses of the Agency, the Trustee, the Bond Registrar and the Rating Agents and all other amounts due and payable under this Agreement and the other Bond Documents, together with any amounts required to be rebated to the Federal government pursuant to the Indenture or the Tax Regulatory Agreement. Thereafter, at any time, at the option of the Lessee, and in any event no later than December 31, 2035, the Lessee shall terminate this Agreement by giving the Agency notice in writing of such termination and thereupon such termination shall forthwith become effective, subject, however, to the survival of the obligations of the Lessee under Sections 4.3 (with respect to payments in lieu of real estate taxes to the extent required hereunder), 6.2 and 9.17 hereof. Upon such termination, the Agency shall convey the Facility to the Lessee and the Lessee hereby unconditionally agrees to accept the conveyance of the Facility by the Agency. Conveyance shall be by quit claim deed. The Lessee hereby irrevocably designates the Agency as its attorney-in-fact, coupled with an interest, for the purpose of executing, delivering and recording such deed of conveyance together with any other documents required in connection therewith and to take such other and further actions reasonably necessary to complete the conveyance of the Facility to the Lessee. The Lessee shall be responsible for all costs incurred in connection with such conveyance including, without limitation, recording fees, search and survey charges, and the reasonable attorneys' fees of the Agency.

6. Modification of Description of Facility Equipment. The description of Facility Equipment, contained in the Appendices to the Lease Agreement, is hereby modified, by including therein all items of equipment, machinery, fixtures, building materials, furniture and other items of personal property acquired or to be acquired and installed or used in the Phase II Project, including, without limitation, the items set forth on Schedule A, attached hereto and made a part hereof.

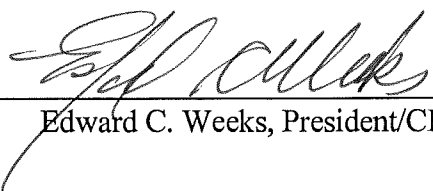
7. No Other Amendments. Except as amended herein, the Lease Agreement remains unmodified, and in full force and effect.

IN WITNESS WHEREOF, the Agency and the Lessee have executed this Amendment as of the date first written above.

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

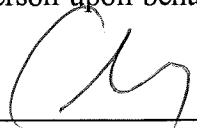
By  _____
David W. Kerchoff, Assistant Treasurer

EPISCOPAL CHURCH HOME & AFFILIATES
LIFE CARE COMMUNITY, INC.

By  _____
Edward C. Weeks, President/CEO

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

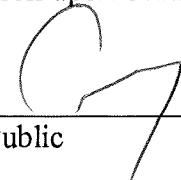
On the 17th day of June, in the year 2005, before me, the undersigned, personally appeared David W. Kerchoff, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed this instrument.



Notary Public
CHRISTOPHER J. HURLEY
Notary Public, State of New York
Qualified in Erie County 7-31-05
My Commission Expires _____

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

On the 17th day of June, in the year 2005, before me, the undersigned, personally appeared Edward C. Weeks, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed this instrument.

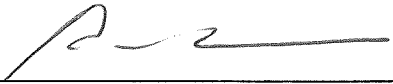


Notary Public
CHRISTOPHER J. HURLEY
Notary Public, State of New York
Qualified in Erie County 7-31-05
My Commission Expires _____

CONSENT OF TRUSTEE

The undersigned, MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee, hereby consents to the execution of the foregoing Amendment to Lease Agreement, pursuant to Section 12.02 of that certain Indenture of Trust ("Indenture") dated as of February 1, 1998 between such Trustee and the Erie County Industrial Development Agency, and recorded with the Erie County Clerk on February 20, 1998 in Liber 10927 of Deeds at Page 8390, as such Amendment to Lease Agreement, and the transactions described therein, in the judgment of such Trustee (in reliance by the Trustee of an opinion of counsel), is not materially to the prejudice of the Trustee or the Holders of the Bonds (as such terms are defined in the Indenture).

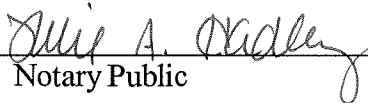
MANUFACTURERS AND TRADERS
TRUST COMPANY, as Trustee

By: 

Russell T. Whitley
Assistant Vice President

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

On the 15th day of June, in the year 2005, before me, the undersigned, personally appeared Russell T. Whitley, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed this instrument.


Notary Public

JULIE A. HADLEY
No. 01HA4937646
Notary Public, State of New York
Qualified in Erie County
My Commission Expires July 11, 2006

Schedule A

Additional Items of Facility Equipment

1. Clubhouse Dining Room Furniture
2. Smallwares for Kitchen
3. Personal Emergency Response Equipment
4. Maintenance Equipment
5. Light Fixtures, Window Treatments and Artwork

AMENDED MEMORANDUM OF LEASE AGREEMENT

The undersigned, ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a corporate governmental agency, duly organized and existing under the laws of the State of New York, having its principal office at 275 Oak Street, Buffalo, New York 14203, as Lessor, and EPISCOPAL CHURCH HOME & AFFILIATES LIFE CARE COMMUNITY, INC., a not-for-profit corporation with an office located at 705 Renaissance Drive, Williamsville, New York 14221, as Lessee, entered into a certain Lease Agreement for the lease of real property and personal property, dated as of February 1, 1998, as amended pursuant to a certain Amendment to Lease Agreement dated as of June 1, 2005, between the Lessor and the Lessee (collectively, the "Lease Agreement").

Such Lease Agreement covers (a) the real property (the "Facility Realty"), including any buildings, structures or improvements affixed or attached thereto, as more particularly described in Exhibit A attached hereto and made a part hereof, and (b) certain personal property (the "Facility Equipment") located on the Premises, as more particularly described in Exhibit B attached hereto and made a part hereof (the Facility Realty and the Facility Equipment are together referred to as the "Project").

Such Lease Agreement provides for the rental of the Project from the Lessor and for the payment by the Lessee of rent payable pursuant to such Lease Agreement over a lease term expiring December 31, 2035, or such earlier date as is permitted by the Lease Agreement.

The Lessee has the obligation to purchase the Project for Ten and 00/100 Dollars (\$10.00) upon expiration or termination of the lease term.

A copy of the Lease Agreement is available for public inspection at the office of the Lessor.

This Memorandum amends and restates in full that certain Memorandum of Lease Agreement dated as of February 1, 1998, but effective February 19, 1998, between the Lessor and the Lessee with regard to the Project, which was recorded on February 20, 1998, with the Erie County Clerk in Liber 10927 of Deeds at Page 8376.

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Memorandum of Lease Agreement to be executed in their respective names, as of June 1, 2005.

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY


By 
David W. Kerchoff, Assistant Treasurer

EPISCOPAL CHURCH HOME & AFFILIATES
LIFE CARE COMMUNITY, INC.

By 
Edward C. Weeks, President/CEO

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

On the 17th day of June, in the year 2005, before me, the undersigned, personally appeared David W. Kerchoff, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed this instrument.



Notary Public

CHRISTOPHER J. HURLEY
Notary Public, State of New York
Qualified in Erie County
My Commission Expires 7/31/05

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

On the 17th day of June, in the year 2005, before me, the undersigned, personally appeared Edward C. Weeks, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed this instrument.



Notary Public

CHRISTOPHER J. HURLEY
Notary Public, State of New York
Qualified in Erie County
My Commission Expires 7/31/05

EXHIBIT A

PARCEL I

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Amherst, County of Erie and State of New York, being part of Lot No. 92, Township 12, Range 7 of the Holland Land Company's Survey, and more particularly described as follows:

BEGINNING at an iron pipe found at the intersection of the east line of Youngs Road Extension said line also being the west line of said Lot No. 92, with the south line of lands conveyed to Episcopal Church Home & Affiliates Life Care Community, Inc. by deed recorded in the Erie County Clerk's Office in Liber 10921 of Deeds at page 1715, said south line also being described in boundary line agreement recorded in the Erie County Clerk's Office in Liber 642 of Deeds at page 606;

1. Thence N 00° 46' 36" E along said east line of Youngs Road Extension, a distance of 1,403.78 feet to a point in the south line of Klein Road as described in deed to the Town of Amherst recorded in the Erie County Clerk's Office in Liber 10926 of Deeds at page 9596;
2. Thence S 86° 32' 36" E along said south line of Klein Road a distance of 1,343.45 feet;
3. Thence S 03° 27' 24" W a distance of 575.10 feet;
4. Thence S 26° 03' 35" E a distance of 91.34 feet;
5. Thence S 26° 19' 40" W a distance of 106.62 feet;
6. Thence S 09° 26' 09" W a distance of 54.44 feet;
7. Thence S 25° 09' 10" W a distance of 63.32 feet;
8. Thence S 07° 54' 28" E a distance of 106.15 feet;
9. Thence S 32° 42' 46" W a distance of 40.63 feet to a point of curvature on a non-tangent curve deflecting to the right;
10. Thence southeasterly along the arc of said curve having a radius of 235.49 feet a chord bearing and distance of S 26° 50' 45" E, 237.64 feet, an arc distance of 249.09 feet;
11. Thence S 03° 27' 24" W a distance of 92.02 feet to a point of curvature on a non-tangent curve deflecting to the right;

12. Thence easterly along the arc of said curve having a radius of 635.0 feet a chord bearing and distance of S 80°21'19" E, 100.05 feet, an arc distance of 100.16 feet;
13. Thence S 75°50'12" E a distance of 102.86 feet to a point of curvature;
14. Thence easterly along the arc of a curve deflecting to the left having a radius of 565.0 feet, an arc distance of 105.58 feet;
15. Thence S 86°32'36" E a distance of 158.0 feet to a point in the west line of Ayer Road as described in said deed to the Town of Amherst recorded in Liber 10926 of Deeds at page 9596;
16. Thence S 17°51'02" W along said west line of Ayer Road a distance of 61.94 feet to a point in said south line of lands of Episcopal Church Home & Affiliates Life Care Community, Inc. as described in said deed recorded in Liber 10921 of Deeds at page 1715;
17. Thence N 86°32'36" W along said south line of Episcopal Church Home & Affiliates Life Care Community, Inc. a distance of 1821.36 feet to the POINT OF BEGINNING.

EXCEPTING therefrom that portion of Renaissance Drive, a public road, located within the above described lands as conveyed to the Town of Amherst by deed recorded in the Erie County Clerk's Office in Liber 10954 of Deeds at page 5277.

PARCEL II

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Amherst, County of Erie, State of New York, being part of Lot No. 92, Township 12, Range 7 of the Holland Land Company's Survey and more particularly described as follows:

BEGINNING at the intersection of the south line of Klein Road with the west line of Ayer Road, as said south and west lines are described in deed to the Town of Amherst recorded in the Erie County Clerk's Office in Liber 10926 of Deeds at page 9596;

1. Thence S 03°46'56" W along said west line of Ayer Road a distance of 1,204.41 feet to an angle point;
2. Thence S 17°51'02" W continuing along said west line of Ayer Road a distance of 142.32 feet;
3. Thence N 86°32'36" W a distance of 158.0 feet;

4. Thence westerly along the arc of a curve deflecting to the right having a radius of 565.0 feet, an arc distance of 105.58 feet;
5. Thence N 75° 50' 12" W a distance of 102.86 feet to a point of curvature;
6. Thence westerly along the arc of a curve deflecting to the left having a radius of 635.0 feet, a chord bearing and distance of N 80° 21' 19" W, 100.05 feet, an arc distance of 100.16 feet;
7. Thence N 03° 27' 24" E a distance of 92.02 feet to a point of curvature;
8. Thence northwesterly along the arc of a curve deflecting to the left, having a radius of 235.49 feet, a chord bearing and distance of N 26° 50' 45" W, 237.64 feet, an arc distance of 249.09 feet;
9. Thence N 32° 42' 46" E a distance of 40.63 feet;
10. Thence N 07° 54' 28" W a distance of 106.15 feet;
11. Thence N 25° 09' 10" E a distance of 63.32 feet;
12. Thence N 09° 26' 09" E a distance of 54.44 feet;
13. Thence N 26° 19' 40" E a distance of 106.62 feet;
14. Thence N 26° 03' 35" W a distance of 91.34 feet;
15. Thence N 03° 27' 24" E a distance of 575.10 feet to a point in said south line of Klein Road as described in said deed to the Town of Amherst recorded in Liber 10926 of Deeds at page 9596;
16. Thence S 86° 32' 36" E along said south line of Klein Road a distance of 601.17 feet to the POINT OF BEGINNING.

EXCEPTING therefrom that portion of Renaissance Drive, a public road, located within the above described lands as conveyed to the Town of Amherst by deed recorded in the Erie County Clerk's Office in Liber 10954 of Deeds at page 5277.

Parcel I and Parcel II above being a portion of the same premises granted and conveyed in fee by Frank Jurek to Episcopal Church Home & Affiliates Life Care Community, Inc. by deed dated September 12, 1997 and recorded in the Erie County Clerk's Office September 12, 1997 in Liber 10921 of Deeds at page 1715.

SCHEDULE B

DESCRIPTION OF FACILITY EQUIPMENT

All items of equipment, machinery, fixtures, building materials, furniture and other items of personal property acquired or to be acquired and installed or used in the Canterbury Woods Life Care Facility located at 690 Ayer Road, Amherst, New York and purchased in whole or in part with proceeds of the Erie County Industrial Development Agency's \$42,090,000 Life Care Community Revenue Bonds (Episcopal Church Home & Affiliates Life Care Community, Inc. Project - Series 1998A) and its \$16,650,000 Life Care Community Revenue Bonds (Episcopal Church Home & Affiliates Life Care Community, Inc. Project - Series 1998B), including, without limitation, the following:

Canterbury Woods

Furniture, Fixtures and Equipment Budget

- A. Common Area Furniture Allowance
(Independent, Enriched and SNF)
- B. Window Treatments:
 - Apartments (\$600 x 204)
 - Enriched Housing (\$350 x 30)
 - Nursing Home (\$300 x 48)
 - Common Areas
- C. Skilled Nursing Room Furniture (48)
- D. Art, Accessories and Plants
- E. Purchasing (in Furniture Allowance above)
- F. Freight/Storage/Installation
- G. Equipment (See Attached List)
- H. Contingency

Note:

- 1) Interior Design fee in Architect/Engineering Budget.
- 2) Marketing Office furniture, fixtures and equipment in Marketing Budget.
- 3) Emergency call system, nurse call system, security system, interior and exterior signage in Construction Budget.

Canterbury Woods

Furniture, Fixtures and Equipment Budget

I. ADMINISTRATION

- Telephone System (management) - System & Installation
- Emergency Call System (see Construction Budget)
- Computer System (hardware, software, cabling)
- Radio / Paging system
- Copier
- Facsimile Machine
- Time Clock
- Miscellaneous Equipment
- Miscellaneous Supplies

II. DINING SERVICES/EQUIPMENT

- China/Silver/Table settings
- Kitchen Smallwares
- Lincns
- Computer Station (in Administrative Budget)
- Banquet Wares
- Additional Equipment Allowances
- Uniforms
- Cleaning/Utility
- Initial Stocking/Papergoods, etc.
- Miscellaneous

III. ENVIRONMENTAL SERVICES EQUIPMENT

- Indoor Maintenance
- Housekeeping
- Outdoor Maintenance
- Uniforms
- Miscellaneous

Canterbury Woods

Furniture, Fixtures and Equipment Budget

IV. INDEPENDENT LIVING

A. Resident Services

- Lobby (Dedication Plaque)
- Parlor
- Private Dining (see Dining Services)
- General Store
- Cafe (see Dining Services)
- Dining Rooms (see Dining Services)
- Guest Rooms
- Meeting Room
- Arts Room
- Library (resident computer, etc.)
- Barber / Beauty
- Wellness Center
- Exercise
- Pool
- Woodworking Shop
- Greenhouse
- Courtyards

V. ENRICHED LIVING

A. Resident Services

- Great Room
- Coordinations Office
- Library
- Private Dining (see Dining Services)
- Dining (see Dining Services)
- Solarium
- Bathing
- Laundry
- Parlor

B. Health Care

- Wander Guard
- Miscellaneous Equipment

Miscellaneous Supplies

Canterbury Woods

Furniture, Fixtures and Equipment Budget

VI. SKILLED NURSING CENTER

A. Resident Services

- Lobby
- Administration
- Physical Therapy
- Activities
- Homestead Program
- Private Dining (see Dining Services)
- Dining (see Dining Services)
- Lounges (2)
- Courtyards

B. Health Care

- Nurse Call System (see Construction Budget)
- Wander Guard System
- Equipment Allowance
- Miscellaneous Supplies

VII. TRANSPORTATION EQUIPMENT

- Vans
- Pick-up Truck

Additional Items of Facility Equipment

1. Clubhouse Dining Room Furniture
2. Smallwares for Kitchen
3. Personal Emergency Response Equipment
4. Maintenance Equipment
5. Light Fixtures, Window Treatments and Artwork

AMENDMENT TO AGREEMENT FOR
PAYMENT IN LIEU OF REAL ESTATE TAXES

THIS AMENDMENT TO AGREEMENT FOR PAYMENT IN LIEU OF REAL ESTATE TAXES ("Amendment"), dated as of June 1, 2005, is made by and between the ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a New York public benefit corporation with offices located at 275 Oak Street, Buffalo, New York 14203 ("Agency"), and EPISCOPAL CHURCH HOME & AFFILIATES LIFE CARE COMMUNITY, INC., a New York not-for-profit corporation with offices located at 705 Renaissance Drive, Williamsville, New York 14221 (the "Lessee").

RECITALS:

A. The Agency and the Lessee entered into a certain Agreement for Payment in Lieu of Real Estate Taxes ("PILOT Agreement") dated as of February 1, 1998, with regard to a continuing care retirement community commonly known as Canterbury Woods.

B. The PILOT Agreement provided for payments in lieu of real estate taxes to be made by the Lessee with regard to "Phase 1" and "Phase 2" of the "Facility Realty" (as such terms are defined in the PILOT Agreement).

C. The Agency and the Lessee entered into a certain letter agreement dated February 14, 2000, pursuant to which the parties corrected the SBL references contained in the PILOT Agreement with regard to Phase 1 and Phase 2. The SBL references contained in such letter agreement are no longer correct.

D. The payments in lieu of real estate taxes required under the PILOT Agreement with regard to Phase 1 were based on the presumption that 283 residential units would be constructed as part of Phase I. To date, the Lessee has only constructed 235 residential units as part of Phase 1, but has reserved the right to construct an additional 48 residential apartment units (referred to herein as "Phase 1-A") as a part of Phase 1 at a later date.

E. The parties desire to amend the PILOT Agreement by reducing the scheduled payments for Phase 1 to reflect the actual number of residential units, with such reduction to apply only until such time as all or a portion of Phase 1-A has been completed.

F. Simultaneously with the execution of this Amendment, the Agency and the Lessee are entering into a certain Amendment to Lease Agreement of even date, pursuant to which the Lessee will construct 40 dwelling units in single and duplex buildings, along with a 3,575+/- square foot community building, as part of Phase 2. The Lessee has requested that the payments in lieu of real estate taxes for Phase 2 be based upon a fixed schedule, rather than the "as if owned" payments currently required for Phase 2 under the PILOT Agreement. The Town of Amherst Assessor has reviewed and approved the proposed schedule of payments in lieu of real estate taxes for Phase 2, and the Agency has delivered a notice with regard to such proposed schedule to each of the affected taxing jurisdictions, with none of the taxing jurisdictions objecting to the proposed schedule. The parties desire to amend the PILOT Agreement to provide that the Lessee shall be required to make payments in lieu of real estate taxes for Phase 2 in accordance with such schedule.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Recitals. The foregoing Recitals are hereby incorporated into this Amendment and made a part hereof as if fully set forth herein.
2. Definitions. All terms with initial capital letters, unless otherwise defined herein, shall have the meanings designated by the PILOT Agreement.
3. Amendments to PILOT Agreement. (a) The term "2028", as set forth in Sections 4(1)(B)(i) & (ii) of the PILOT Agreement, is hereby deleted, and replaced in both places with the term "2035".

(b) The term "2028-2029", as set forth in Section 4(1)(B)(iii) of the PILOT Agreement, is hereby deleted, and replaced with the term "2034-2035".

(c) Schedule A to the PILOT Agreement is hereby deleted, and replaced with Schedule A-1, attached hereto and made a part hereof. Should Phase 1-A be constructed in whole or in part, then, commencing with the tax fiscal year of each affected tax jurisdiction occurring immediately after the issuance by the Town of a temporary certificate of occupancy for all or a portion of Phase 1-A, Schedule A to the PILOT Agreement is hereby deleted, and replaced with Schedule A-2, attached hereto and made a part hereof.

(d) In Section 4(1)A of the PILOT Agreement, first paragraph, the SBL reference to Phase 1 is hereby changed to #56.11-8-1. In Section 4(1)(B) of the PILOT Agreement, first paragraph, the SBL reference to Phase 2 is hereby changed to #56.11-8-1./A.


(e) The following is added at the end of Section 6(2) of the PILOT Agreement: "Notwithstanding anything to the contrary set forth in this PILOT Agreement, the Lessee agrees not to undertake any challenge to the assessed valuation of Phase 1 of the Facility Realty from the date of this Agreement until July 1, 2029 (or, if this PILOT Agreement is terminated before such date, until the expiration of one calendar year after the date of such termination), unless the assessed valuation of Phase 1 of the Facility Realty is increased above its current assessment.
4. No Further Amendments. Except as amended herein and as previously amended, the PILOT Agreement remains unmodified, and in full force and effect.

IN WITNESS WHEREOF, the Lessee and the Agency have executed this Amendment as of the date first written above.

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By 
David W. Kerchoff, Assistant Treasurer

EPISCOPAL CHURCH HOME & AFFILIATES
LIFE CARE COMMUNITY, INC.

By 
Edward C. Weeks, President/CEO

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

On the 17th day of June, in the year 2005, before me, the undersigned, personally appeared David W. Kerchoff, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed this instrument.



Notary Public

CHRISTOPHER J. HURLEY
Notary Public, State of New York
Qualified in Erie County
My Commission Expires 7-3-05

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

On the 17th day of June, in the year 2005, before me, the undersigned, personally appeared Edward C. Weeks, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed this instrument.



Notary Public

CHRISTOPHER J. HURLEY
Notary Public, State of New York
Qualified in Erie County
My Commission Expires 7-3-05

SCHEDULE A-1

Phase 1 Payments:

Fiscal Year	Town	County	Fiscal Year	School
1999	\$9,998	\$16,473	1998-1999	\$159,682
2000	\$74,493	\$122,722	1999-2000	\$159,683
2001	\$76,728	\$126,404	2000-2001	\$290,017
2002	\$79,030	\$130,196	2001-2002	\$298,718
2003	\$81,401	\$134,102	2002-2003	\$307,679
2004	\$83,843	\$138,125	2003-2004	\$316,909
2005	\$86,358	\$142,268	2004-2005	\$326,417
2006	\$72,938	\$120,160	2005-2006	\$275,691
2007	\$75,126	\$123,814	2006-2007	\$283,962
2008	\$77,380	\$127,478	2007-2008	\$292,481
2009	\$79,701	\$131,302	2008-2009	\$301,256
2010	\$82,092	\$135,241	2009-2010	\$310,293
2011	\$84,555	\$139,298	2010-2011	\$319,602
2012	\$87,091	\$143,477	2011-2012	\$329,190
2013	\$89,704	\$147,781	2012-2013	\$339,066
2014	\$92,395	\$152,215	2013-2014	\$349,238
2015	\$95,167	\$156,781	2014-2015	\$359,715
2016	\$98,022	\$161,485	2015-2016	\$370,506
2017	\$100,962	\$166,329	2016-2017	\$381,621
2018	\$103,991	\$171,319	2017-2018	\$393,070
2019	\$107,111	\$176,459	2018-2019	\$404,862
2020	\$110,324	\$181,752	2019-2020	\$417,008
2021	\$113,634	\$187,205	2020-2021	\$429,518
2022	\$117,043	\$192,821	2021-2022	\$442,404
2023	\$120,554	\$198,606	2022-2023	\$455,676
2024	\$124,171	\$204,564	2023-2024	\$469,346
2025	\$127,896	\$210,701	2024-2025	\$483,427
2026	\$131,733	\$217,022	2025-2026	\$497,929
2027	\$135,685	\$223,532	2026-2027	\$512,867
2028	\$139,755	\$230,238	2027-2028	\$528,253
2029 (and thereafter)	As if owned	As if owned	2028-2029 (and thereafter)	As if owned

Phase 2 Payments: Full payments in lieu of real estate taxes as if Phase 2 were owned by the Lessee, up to and including Town and County Tax Fiscal Year 2005 and School Tax Fiscal Year 2004-2005. Thereafter, the following schedule of payments shall apply:

Fiscal Year	Town	County	Fiscal Year	School
2006	\$4,909	\$9,004	2005-2006	\$17,973
2007	\$15,606	\$28,620	2006-2007	\$57,132
2008	\$32,310	\$58,968	2007-2008	\$117,666
2009	\$33,094	\$60,737	2008-2009	\$121,196
2010	\$34,087	\$62,559	2009-2010	\$124,832
2011	\$35,109	\$64,436	2010-2011	\$128,577
2012	\$36,163	\$66,369	2011-2012	\$132,434
2013	\$37,247	\$68,360	2012-2013	\$136,407
2014	\$38,365	\$70,411	2013-2014	\$140,499
2015	\$39,516	\$72,523	2014-2015	\$144,714
2016	\$40,701	\$74,699	2015-2016	\$149,056
2017	\$41,922	\$76,940	2016-2017	\$153,527
2018	\$43,180	\$79,248	2017-2018	\$158,133
2019	\$44,475	\$81,626	2018-2019	\$162,877
2020	\$45,810	\$84,074	2019-2020	\$167,764
2021	\$47,184	\$86,596	2020-2021	\$172,796
2022	\$48,600	\$89,194	2021-2022	\$177,980
2023	\$50,057	\$91,870	2022-2023	\$183,320
2024	\$51,559	\$94,626	2023-2024	\$188,819
2025	\$53,106	\$97,465	2024-2025	\$194,484
2026	\$54,699	\$100,389	2025-2026	\$200,318
2027	\$56,340	\$103,401	2026-2027	\$206,328
2028	\$58,030	\$106,503	2027-2028	\$212,518
2029	\$59,771	\$109,698	2028-2029	\$218,893
2030	\$61,564	\$112,989	2029-2030	\$225,460
2031	\$63,411	\$116,378	2030-2031	\$232,224
2032	\$65,314	\$119,870	2031-2032	\$239,191
2033	\$67,273	\$123,466	2032-2033	\$246,366
2034	\$69,291	\$127,170	2033-2034	\$253,757
2035	\$71,370	\$130,985	2034-2035	\$261,370
2036 (and thereafter)	As if owned	As if owned	2035-2036 (and thereafter)	As if owned

Schedule A-2

Phase I Payments:

Fiscal Year	Town	County	Fiscal Year	School
1999	\$ 9,998	\$ 16,473	1998-1999	\$159,682
2000	\$ 74,493	\$122,722	1999-2000	\$159,683
2001	\$ 76,728	\$126,404	2000-2001	\$290,017
2002	\$ 79,030	\$130,196	2001-2002	\$298,718
2003	\$ 81,401	\$134,102	2002-2003	\$307,679
2004	\$ 83,843	\$138,125	2003-2004	\$316,909
2005	\$ 86,358	\$142,268	2004-2005	\$326,417
2006	\$ 88,949	\$146,536	2005-2006	\$336,209
2007	\$ 91,617	\$150,933	2006-2007	\$346,295
2008	\$ 94,366	\$155,461	2007-2008	\$356,684
2009	\$ 97,196	\$160,124	2008-2009	\$367,385
2010	\$100,112	\$164,928	2009-2010	\$378,406
2011	\$103,116	\$169,876	2010-2011	\$389,759
2012	\$106,209	\$174,972	2011-2012	\$401,451
2013	\$109,395	\$180,221	2012-2013	\$413,495
2014	\$112,677	\$185,628	2013-2014	\$425,900
2015	\$116,058	\$191,197	2014-2015	\$438,677
2016	\$119,539	\$196,933	2015-2016	\$451,837
2017	\$123,126	\$202,841	2016-2017	\$465,392
2018	\$126,819	\$208,926	2017-2018	\$479,354
2019	\$130,624	\$215,194	2018-2019	\$493,735
2020	\$134,543	\$221,650	2019-2020	\$508,547
2021	\$138,579	\$228,299	2020-2021	\$523,803
2022	\$142,736	\$235,148	2021-2022	\$539,517
2023	\$147,018	\$242,202	2022-2023	\$555,703
2024	\$151,429	\$249,469	2023-2024	\$572,374
2025	\$155,972	\$256,953	2024-2025	\$589,545
2026	\$160,651	\$264,661	2025-2026	\$607,231
2027	\$165,470	\$272,601	2026-2027	\$625,448
2028	\$170,434	\$280,779	2027-2028	\$644,412
2029	*	*	2028-2029	\$663,744**

*Full real estate taxes will be due and payable.

**Payment due will be the greater of \$663,744 or the amount equal to full real estate taxes as if owned by the Lessee.

Phase 2 Payments: Full payments in lieu of real estate taxes as if Phase 2 were owned by the Lessee, up to and including Town and County Tax Fiscal Year 2005 and School Tax Fiscal Year 2004-2005. Thereafter, the following schedule of payments shall apply:

Fiscal Year	Town	County	Fiscal Year	School
2006	\$4,909	\$9,004	2005-2006	\$17,973
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2025	\$53,106	\$97,465	2024-2025	\$194,484
2026	\$54,699	\$100,389	2025-2026	\$200,318
2027	\$56,340	\$103,401	2026-2027	\$206,328
2028	\$58,030	\$106,503	2027-2028	\$212,518
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2030	\$61,564	\$112,989	2029-2030	\$225,460
2031	\$63,411	\$116,378	2030-2031	\$232,224
2032	\$65,314	\$119,870	2031-2032	\$239,191
2033	\$67,273	\$123,466	2032-2033	\$246,366
2034	\$69,291	\$127,170	2033-2034	\$253,757
2035	\$71,370	\$130,985	2034-2035	\$261,370
2036 (and thereafter)	As if owned	As if owned	2035-2036 (and thereafter)	As if owned

**ENVIRONMENTAL COMPLIANCE
AND INDEMNIFICATION AGREEMENT**

THIS AGREEMENT, dated as of June 1, 2005, is given by EPISCOPAL CHURCH HOME & AFFILIATES LIFE CARE COMMUNITY, INC., a New York not-for-profit corporation having its office and principal place of business at 705 Renaissance Drive, Williamsville, New York 14221 (the "Lessee"), to ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York having its principal office at 275 Oak Street, Buffalo, New York 14203 (the "Agency").

RECITALS

WHEREAS, the Lessee holds leasehold title to certain real property located in the Town of Amherst, County of Erie, State of New York and described more fully in Schedule "A" attached hereto and made a part hereof (the "Premises"); and

WHEREAS, the Lessee has applied to the Agency for State and Local Tax Exempt (SALE) Bond or Lease Financing (the "Financing") and the Agency has agreed to provide the Financing subject to the terms and conditions of its Inducement Resolution dated June 13, 2005; and

WHEREAS, in furtherance of the Financing, the Agency has been asked to continue to hold fee title to the Premises and lease the Premises back to the Lessee; and

WHEREAS, the Agency is unwilling to consummate the Financing unless the Lessee executes and deliver this Agreement to the Agency.

NOW, THEREFORE, in consideration of the foregoing and to induce the Agency to consummate the Financing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Lessee hereby covenants and agrees with the Agency as follows:

1. **DEFINITIONS**. All capitalized terms used in this Agreement and not heretofore defined shall have the meanings set forth below.

(a) **Environment** means any water or water vapor, any land, including land surface or subsurface, air, fish, wildlife, biota and all other natural resources.

(b) **Environmental Laws** mean all federal, state and local environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, ordinances and codes relating to the protection of the Environment and/or governing the use, storage, treatment, generation,

transportation, processing, handling, production or disposal of Hazardous Substances and the rules, regulations, policies, guidelines, interpretations, decisions, orders and directives of federal, state and local governmental agencies and authorities with respect thereto.

(c) Environmental Permits mean all permits, licenses, approvals, authorizations, consents or registrations required by any applicable Environmental Law in connection with the ownership, use and/or operation of the Premises for the storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Substances or the sale, transfer or conveyance of the Premises.

(d) Hazardous Substance means any substance (i) the presence of which requires investigation or remediation under any Environmental Law; or (ii) which is or becomes defined as a "hazardous waste", "hazardous substance", "toxic substance", pollutant or contaminant under the Comprehensive Environmental Response, Compensation and Liability Act, as amended (42 U.S.C. section 9601 et seq.) and/or the Resource Conservation and Recovery Act (42 U.S.C. section 6901 et seq.) as amended and/or the Hazardous Materials Transportation Act, as amended (49 U.S.C. Section 1801 et seq.) and/or the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601, et seq.), and/or Articles 15 or 27 of the New York State Environmental Conservation Law, or any other applicable Environmental Law or any regulations promulgated under any of the foregoing; or (iii) which is toxic (including, but not limited to, toxic mold), explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority, agency, department, commission, board, agency or instrumentality of the United States, the State of New York or any political subdivision thereof; or (iv) the presence of which on the Premises causes or threatens to cause a nuisance upon the Property or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about the Premises; or (v) which contains gasoline, diesel fuel or other petroleum hydrocarbons; or (vi) which contains polychlorinated biphenyls (PCBs), asbestos or urea formaldehyde foam insulation.

(e) Improvements mean any buildings, structures and other improvements (if any) presently or hereafter located on the Premises.

(f) Indemnitee means the Agency, its successors and assigns, and their respective officers, directors, employees, agents, representatives, contractors and subcontractors.

(g) Release has the same meaning as given to that term in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), and the regulations promulgated thereunder.

2. REPRESENTATIONS AND WARRANTIES: The Lessee represents and warrants to the Agency that:

(a) Neither the Premises nor, to the best of the Lessee's knowledge, information and belief, any property adjacent to or within the immediate vicinity

of the Premises is being or has been used for the storage, treatment, generation, transportation, processing, handling, production or disposal of any Hazardous Substance or as a landfill or other waste disposal site or for military, manufacturing or industrial purposes or for the storage of petroleum or petroleum based products.

(b) Underground storage tanks are not and have not been located on the Premises, except as set forth in Schedule "B" hereto.

(c) The soil, subsoil, bedrock, surface water and groundwater of the Premises are free of any Hazardous Substances.

(d) There has been no Release nor is there the threat of a Release on, at or from the Premises, or any property adjacent to or within the immediate vicinity of the Premises which through soil, subsoil, bedrock, surface water or groundwater migration could come to be located on the Premises, and the Lessee has not received any form of notice or inquiry from any federal, state or local governmental agency or authority, any operator, tenant, subtenant, licensee or occupant of the Premises or any property adjacent to or within the immediate vicinity of the Premises or any other person with regard to a Release or the threat of a Release on, at or from the Premises or any property adjacent to or within the immediate vicinity of the Premises.

(e) All Environmental Permits have been obtained and are in full force and effect.

(f) No event has occurred with respect to the Premises which, with the passage of time or the giving of notice, or both, would constitute a violation of any applicable Environmental Law or non-compliance with any Environmental Permit.

(g) There are no agreements, consent orders, decrees, judgments, license or permit conditions or other orders or directives of any federal, state or local court, governmental agency or authority relating to the past, present or future ownership, use, operation, sale, transfer or conveyance of the Premises which require any change in the present condition of the Premises or any work, repairs, construction, containment, clean-up, investigations, studies, removal or other remedial action or capital expenditures with respect to the Premises.

(h) There are no actions, suits, claims or proceedings, pending or threatened, which could cause the incurrence of expenses or costs of any name or description or which seek money damages, injunctive relief, remedial action or any other remedy that arise out of, relate to or result from (i) a violation or alleged violation of any applicable Environmental Law or non-compliance or alleged

non-compliance with any Environmental Permit, (ii) the presence of any Hazardous Substance or a Release or the threat of a Release on, at or from the Premises or any property adjacent to or within the immediate vicinity of the Premises or (iii) human exposure to any Hazardous Substance, noises, vibrations or nuisances of whatever kind to the extent the same arise from the condition of the Premises or the ownership, use, operation, sale, transfer or conveyance thereof.

3. COVENANTS OF LESSEE: The Lessee covenants and agrees with the Agency as follows:

(a) The Lessee shall keep, and shall cause all operators, tenants, subtenants, licensees and occupants of the Premises to keep, the Premises free of all Hazardous Substances and shall not cause or permit the Premises or any part thereof to be used for the storage, treatment, generation, transportation, processing, handling, production or disposal of any Hazardous Substances.

(b) The Lessee shall comply with, and shall cause all operators, tenants, subtenants, licensees and occupants of the Premises to comply with, all applicable Environmental Laws, and shall obtain and comply with, and shall cause all operators, tenants, subtenants, licensees and occupants of the Premises to obtain and comply with, all Environmental Permits.

(c) The Lessee shall not cause or permit any change to be made in the present or intended use of the Premises which would (i) involve the storage, treatment, generation, transportation, processing, handling, production or disposal of any Hazardous Substance or the use of the Premises as a landfill or other waste disposal site or for military, manufacturing or industrial purposes or for the storage of petroleum or petroleum based products, (ii) violate any applicable Environmental Law, (iii) constitute non-compliance with any Environmental Permit or (iv) increase the risk of a Release.

(d) The Lessee shall promptly provide the Agency with a copy of all notifications which it gives or receives with respect to any past or present Release or the threat of a Release on, at or from the Premises or any property adjacent to or within the immediate vicinity of the Premises.

(e) The Lessee shall undertake and complete all investigations, studies, sampling and testing and all removal and other remedial actions necessary to contain, remove and clean up all Hazardous Substances that are determined to be present at the Premises in accordance with all applicable Environmental Laws and all Environmental Permits.

(f) The Lessee shall at all times allow the Agency and its officers,

employees, agents, representatives, contractors and subcontractors reasonable access to the Premises for the purposes of ascertaining site conditions, including, but not limited to, subsurface conditions.

(g) If at any time the Agency obtains any evidence or information which suggests that potential environmental problems may exist at the Premises, the Agency may require that a full or supplemental environmental inspection and audit report with respect to the Premises of a scope and level of detail satisfactory to the Agency be prepared by an environmental engineer or other qualified person acceptable to the Agency, at the Lessee's expense. Said audit may include a physical inspection of the Premises, a visual inspection of any property adjacent to or within the immediate vicinity of the Premises, personal interviews and a review of all Environmental Permits. If the Agency requires, such inspection shall also include a records search and/or subsurface testing for the presence of Hazardous Substances in the soil, subsoil, bedrock, surface water and/or groundwater. If said audit report indicates the presence of any Hazardous Substance or a Release or the threat of a Release on, at or from the Premises, the Lessee shall promptly undertake and diligently pursue to completion all necessary, appropriate and legally authorized investigative, containment, removal, clean-up and other remedial actions, using methods recommended by the engineer or other person who prepared said audit report and acceptable to the appropriate federal, state and local agencies or authorities.

(h) Attached hereto as Schedule "C" is a complete list of all Environmental Permits presently required for the ownership, use or operation of the Premises and the businesses located thereon. The Lessee agrees to notify the Agency of any additions, deletions, or modifications of any Environmental Permits and the list thereof. Upon written request of the Agency, the Lessee shall furnish true and complete copies of all Environmental Permits.

4. INDEMNIFICATION PROVISIONS: The Lessee hereby jointly and severally covenants and agrees, at its sole cost and expense, to indemnify, protect, defend, and save harmless each and every Indemnitee from and against any and all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, judgments, suits, actions, proceedings, costs, disbursements and/or expenses (including, without limitation, attorneys' and experts' fees for attorneys and experts selected by the Indemnitee, expenses and disbursements) of any kind or nature whatsoever which may at any time be imposed upon, incurred by or asserted or awarded against any Indemnitee relating to, resulting from or arising out of (a) the use of the Premises for the storage, treatment, generation, transportation, processing, handling, production or disposal of any Hazardous Substance or as a landfill or other waste disposal site or for military, manufacturing or industrial purposes or for the storage of petroleum or petroleum based products, (b) the presence or claimed presence of any Hazardous Substance or a Release or the threat of a Release on, at or from the Premises, (c) the failure to promptly undertake and diligently pursue to completion all necessary, appropriate and legally authorized investigative,

containment, removal, clean-up and other remedial actions with respect to a Release or the threat of a Release on, at or from the Premises, (d) human exposure to any Hazardous Substance, noises, vibrations or nuisances of whatever kind to the extent the same arise from the condition of the Premises or the ownership, use, operation, sale, transfer or conveyance thereof, (e) a violation of any applicable Environmental Law, (f) non-compliance with any Environmental Permit, (g) a material misrepresentation or inaccuracy in any representation or warranty or a material breach of or failure to perform any covenant made by the Lessee in this Agreement, and (h) the designation by the New York State Department of Environmental Conservation, the United States Environmental Protection Agency or any other governmental authority of the Agency as a party responsible or potentially responsible for the remediation of any condition on the Premises (collectively, the "Indemnified Matters").

The liability of the Lessee to each Indemnitee hereunder shall be perpetual and shall survive, and shall in no way be limited, abridged, impaired or otherwise affected, by (i) any amendment or modification of any of the documents (a) entered into in connection with any indebtedness associated with the Financing (the "Loan Documents") or (b) otherwise entered into in connection with the Financing (the "Financing Documents") by or for the benefit of the Agency, any lender, or any subsequent owner of the Premises, (ii) any extensions of time for payment or performance required by any of the Loan Documents or the Financing Documents, (iii) the release of the Lessee, any guarantor of any of the indebtedness associated with the Financing, or any other person, from the performance or observance of any of the agreements, covenants, terms or conditions contained in any of the Loan Documents, the Financing Documents or this Agreement by operation of law, the lender's or Agency's voluntary act or otherwise, (iv) the invalidity or unenforceability of any of the terms or provisions of the Loan Documents or the Financing Documents, (v) any exculpatory provision contained in any of the Loan Documents or the Financing Documents limiting the lender's or the Agency's recourse to property encumbered by a mortgage or to any other security, (vi) any applicable statute of limitations, (vii) any investigation or inquiry conducted by or on the behalf of the Agency or any other Indemnitee or any information which the Agency or any other Indemnitee may have or obtain with respect to the environmental or ecological condition of the Premises, (viii) the sale or assignment of any indebtedness associated with the financing or the foreclosure of any mortgage, (ix) the sale, transfer or conveyance of all or part of the Premises, (x) the dissolution or liquidation of the Lessee, (xi) the release or discharge, in whole or in part, of the Lessee in any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or similar proceeding, (xii) any other circumstances which might otherwise constitute a legal or equitable release or discharge, in whole or in part, of the Lessee under any bond, note or mortgage entered into in connection with the Financing or of the Lessee under this Agreement, (xiii) the expiration or termination of any lease between the Agency and the Lessee or any other person with respect to the Financing (the "Lease"), or (xiv) the reconveyance of title to the Premises by the Agency to the Lessee or any other person, whether in accordance with the terms of the Lease, by foreclosure or deed in lieu of foreclosure, sale or otherwise.

The indemnification agreement contained herein is wholly independent of and in addition to any indemnification agreement heretofore given to the Agency or any other

Indemnitee, as part of the application process for the Financing or otherwise.

5. GOVERNING LAW. This Agreement shall be governed by, construed in accordance with and enforceable under the laws of the State of New York.

6. COUNTERPARTS: This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. Said counterparts shall constitute but one and the same instrument and shall be binding upon each of the undersigned as fully and completely as if all had signed the same instrument.


7. SUCCESSORS AND ASSIGNS: This Agreement shall be binding upon the Lessee, its successors and assigns, all subsequent owners of the Premises and their respective successors, assigns, executors, administrators, legal representatives, distributees and fiduciaries and shall inure to the benefit of each Indemnitee.

8. WAIVER OF TRIAL BY JURY. THE PARTIES HEREBY EXPRESSLY WAIVE ALL RIGHTS TO TRIAL BY JURY ON ANY CAUSE OF ACTION DIRECTLY OR INDIRECTLY INVOLVING THE TERMS, COVENANTS OR CONDITIONS OF THIS AGREEMENT OR THE PREMISES, OR ANY MATTERS ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT.

IN WITNESS WHEREOF, the Lessee has caused this Agreement to be duly executed as of the day and year first above written.

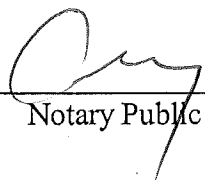
LESSEE:

EPISCOPAL CHURCH HOME & AFFILIATES
LIFE CARE COMMUNITY, INC.

By: 
Edward C. Weeks, President/CEO

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

On the 17th day of June, in the year 2005, before me, the undersigned, a Notary Public in and for said state, personally appeared Edward C. Weeks, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that se executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed this instrument.



Notary Public

CHRISTOPHER J. HURLEY
Notary Public, State of New York
Qualified in Erie County
My Commission Expires 7-31-05

SCHEDULE A

PARCEL I

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Amherst, County of Erie and State of New York, being part of Lot No. 92, Township 12, Range 7 of the Holland Land Company's Survey, and more particularly described as follows:

BEGINNING at an iron pipe found at the intersection of the east line of Youngs Road Extension said line also being the west line of said Lot No. 92, with the south line of lands conveyed to Episcopal Church Home & Affiliates Life Care Community, Inc. by deed recorded in the Erie County Clerk's Office in Liber 10921 of Deeds at page 1715, said south line also being described in boundary line agreement recorded in the Erie County Clerk's Office in Liber 642 of Deeds at page 606;

1. Thence N 00°46'36" E along said east line of Youngs Road Extension, a distance of 1,403.78 feet to a point in the south line of Klein Road as described in deed to the Town of Amherst recorded in the Erie County Clerk's Office in Liber 10926 of Deeds at page 9596;
2. Thence S 86°32'36" E along said south line of Klein Road a distance of 1,343.45 feet;
3. Thence S 03°27'24" W a distance of 575.10 feet;
4. Thence S 26°03'35" E a distance of 91.34 feet;
5. Thence S 26°19'40" W a distance of 106.62 feet;
6. Thence S 09°26'09" W a distance of 54.44 feet;
7. Thence S 25°09'10" W a distance of 63.32 feet;
8. Thence S 07°54'28" E a distance of 106.15 feet;
9. Thence S 32°42'46" W a distance of 40.63 feet to a point of curvature on a non-tangent curve deflecting to the right;
10. Thence southeasterly along the arc of said curve having a radius of 235.49 feet a chord bearing and distance of S 26°50'45" E, 237.64 feet, an arc distance of 249.09 feet;
11. Thence S 03°27'24" W a distance of 92.02 feet to a point of curvature on a non-tangent curve deflecting to the right;

12. Thence easterly along the arc of said curve having a radius of 635.0 feet a chord bearing and distance of S 80°21'19" E, 100.05 feet, an arc distance of 100.16 feet;
13. Thence S 75°50'12" E a distance of 102.86 feet to a point of curvature;
14. Thence easterly along the arc of a curve deflecting to the left having a radius of 565.0 feet, an arc distance of 105.58 feet;
15. Thence S 86°32'36" E a distance of 158.0 feet to a point in the west line of Ayer Road as described in said deed to the Town of Amherst recorded in Liber 10926 of Deeds at page 9596;
16. Thence S 17°51'02" W along said west line of Ayer Road a distance of 61.94 feet to a point in said south line of lands of Episcopal Church Home & Affiliates Life Care Community, Inc. as described in said deed recorded in Liber 10921 of Deeds at page 1715;
17. Thence N 86°32'36" W along said south line of Episcopal Church Home & Affiliates Life Care Community, Inc. a distance of 1821.36 feet to the POINT OF BEGINNING.

EXCEPTING therefrom that portion of Renaissance Drive, a public road, located within the above described lands as conveyed to the Town of Amherst by deed recorded in the Erie County Clerk's Office in Liber 10954 of Deeds at page 5277.

PARCEL II

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Amherst, County of Erie, State of New York, being part of Lot No. 92, Township 12, Range 7 of the Holland Land Company's Survey and more particularly described as follows:

BEGINNING at the intersection of the south line of Klein Road with the west line of Ayer Road, as said south and west lines are described in deed to the Town of Amherst recorded in the Erie County Clerk's Office in Liber 10926 of Deeds at page 9596;

1. Thence S 03°46'56" W along said west line of Ayer Road a distance of 1,204.41 feet to an angle point;
2. Thence S 17°51'02" W continuing along said west line of Ayer Road a distance of 142.32 feet;
3. Thence N 86°32'36" W a distance of 158.0 feet;

4. Thence westerly along the arc of a curve deflecting to the right having a radius of 565.0 feet, an arc distance of 105.58 feet;
5. Thence N 75° 50' 12" W a distance of 102.86 feet to a point of curvature;
6. Thence westerly along the arc of a curve deflecting to the left having a radius of 635.0 feet, a chord bearing and distance of N 80° 21' 19" W, 100.05 feet, an arc distance of 100.16 feet;
7. Thence N 03° 27' 24" E a distance of 92.02 feet to a point of curvature;
8. Thence northwesterly along the arc of a curve deflecting to the left, having a radius of 235.49 feet, a chord bearing and distance of N 26° 50' 45" W, 237.64 feet, an arc distance of 249.09 feet;
9. Thence N 32° 42' 46" E a distance of 40.63 feet;
10. Thence N 07° 54' 28" W a distance of 106.15 feet;
11. Thence N 25° 09' 10" E a distance of 63.32 feet;
12. Thence N 09° 26' 09" E a distance of 54.44 feet;
13. Thence N 26° 19' 40" E a distance of 106.62 feet;
14. Thence N 26° 03' 35" W a distance of 91.34 feet;
15. Thence N 03° 27' 24" E a distance of 575.10 feet to a point in said south line of Klein Road as described in said deed to the Town of Amherst recorded in Liber 10926 of Deeds at page 9596;
16. Thence S 86° 32' 36" E along said south line of Klein Road a distance of 601.17 feet to the POINT OF BEGINNING.

EXCEPTING therefrom that portion of Renaissance Drive, a public road, located within the above described lands as conveyed to the Town of Amherst by deed recorded in the Erie County Clerk's Office in Liber 10954 of Deeds at page 5277.

Parcel I and Parcel II above being a portion of the same premises granted and conveyed in fee by Frank Jurek to Episcopal Church Home & Affiliates Life Care Community, Inc. by deed dated September 12, 1997 and recorded in the Erie County Clerk's Office September 12, 1997 in Liber 10921 of Deeds at page 1715.

SCHEDULE "B"
(Underground Storage Tanks)

NONE

SCHEDULE "C"
(Environmental Permits)

NONE

CLERK'S CERTIFICATE

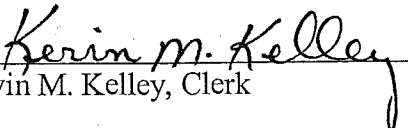
I, KEVIN M. KELLEY, Clerk of the Erie County Legislature, Erie County, New York (the "Legislature"), HEREBY CERTIFY that the attached extract from the minutes of the meeting of the Legislature duly called and held on June 2, 1970, has been compared by me with the original minutes of said meeting as officially recorded in the Minute Book of the Legislature, and said extract is a correct transcript of the whole of said original minutes so far as said original minutes related to the subject matter referred to in said extract, and the resolution contained in said extract has been duly adopted and said resolution, as amended, is in full force and effect.

I HEREBY FURTHER CERTIFY that the attached copy of the Certificate of Establishment of the Erie County Industrial Development Agency was duly filed with the Secretary of State on August 5, 1970, and pursuant to Section 856, subdivision 2 of the General Municipal Law, the undersigned hereby certifies that the following persons have been appointed or reappointed and are currently serving as members of the Erie County Industrial Development Agency and that the attached copies of the Certificate of Appointment of said members are true copies of the originals filed with the Secretary of State on the date or dates received thereon:

- | | | | |
|----|---------------------|-----|-----------------------|
| 1. | Kevin J. Clarke | 10. | Alfred F. Luhr III |
| 2. | James F. Doherty | 11. | Anthony M. Masiello |
| 3. | David A. Franczyk | 12. | Susan A. McCartney |
| 4. | Dennis H. Gabryszak | 13. | Lawrence M. Meckler |
| 5. | Joel A. Giambra | 14. | Frank B. Mesiah |
| 6. | Susan Grelick | 15. | Ronald H. Moline |
| 7. | Marsha S. Henderson | 16. | Andrew J. Rudnick |
| 8. | George A. Holt, Jr. | 17. | Fred B. Saia |
| 9. | Mark R. Jones | 18. | John Semler |
| | | 19. | Timothy M. Wroblewski |

IN WITNESS WHEREOF, I have hereunto set my hand as aforesaid and affixed the seal of the Erie County Legislature as of March 14, 2005.

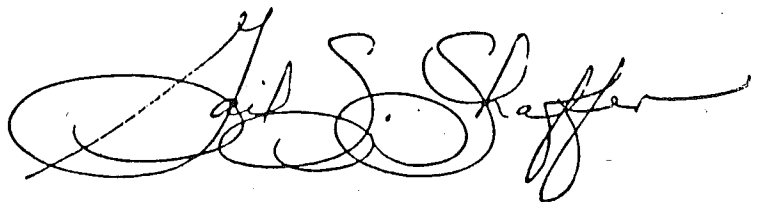
(SEAL)


Kevin M. Kelley, Clerk

State of New York }
DEPARTMENT OF STATE } ss.:

It is Hereby Certified, That the attached copy of the certificate of establishment for the Erie County Industrial Development Agency is a true copy of the original thereof as filed in this office on August 5, 1970.

Witness my hand and the official seal of the
Department of State at the City of
Albany, this 25th day
of January one thousand
nine hundred and ninety-one



Secretary of State

Part II — Design — As per Design Contract Schedule

Part III — Right-of-way Parcel Maps

\$250.00 for each individual parcel map plus \$50.00 for each individual parcel map, if any, from one ownership in one location:

and be it further

RESOLVED, that the County Executive be and he hereby is authorized to execute the above contract, and payment is hereby authorized from County Road Fund Project CR 570-70, further

Item 19, Page 429

4. WHEREAS, pursuant to chapter 293 of the Laws of 1970 of the State of New York, there was created The Erie County Industrial Development Agency, and

WHEREAS, such agency will act to further the economic well-being of the County of Erie;

NOW, THEREFORE, BE IT

RESOLVED, That the following members be appointed and they hereby are appointed to such agency:

WALTER J. FLOSS, JR.
6221 Transit Road — CHAIRMAN
East Amherst, New York

PAUL WILLAX
c/o Erie County Savings Bank — MEMBER
Main Place
Buffalo, New York

CLAUDE SCHUCTER
M & T Trust Company — MEMBER
1 M & T Plaza
Buffalo, New York

GEORGE L. WESSEL
1311 Claudette Court — MEMBER
Cheektowaga, New York

DANIEL A. ROBLIN
290 Main Street — MEMBER
Buffalo, New York,

and be it further

RESOLVED, That Walter J. Floss, Jr., 6221 Transit Road, East Amherst, New York, be and he is hereby appointed chairman of said agency, and be it further

RESOLVED, That this Legislature hereby declares that the need for the establishment of such agency is to promote the economic welfare of the inhabitants of Erie County and to actively promote, attract, encourage and develop economically sound commerce and industry in Erie County for the purpose of preventing unemployment and economic deterioration; and be it further

RESOLVED, That the Clerk of this Legislature file a certificate of establishment of The Erie County Industrial Development Agency with the Secretary of State of the State of New York, a copy of which is annexed hereto and made a part hereof, further

Item 38, Page 490

5. RESOLVED, That the communication from Dr. Victor Reinstein relative to an Industrial Development Agency, be received and filed, further

Item 54, Page 492

6. RESOLVED, That the following parcels of land as listed below showing the location thereof, owners, parcel numbers, area required and a consideration agreed upon as follows:

COLUMBIA AVENUE, C.R. No. 352 — Town of Lancaster		
Parcel No. 30 —Stanley Koscialski	Area 0.017 ac.	(fee) \$ 110.00
LAKE AVENUE, C.R. No. 200 — Town of Hamburg and Orchard Park		
Parcel No. 32 —Stephen Peters, Sr.	Area 0.011 ac.	(fee) \$ 120.00
Mary Peters	Damages	520.00
Parcel No. 110A—William H. Parks	Area 0.005 ac.	(fee) \$ 50.00
Mary C. Parks		
Parcel No. 201 —Jeanne M. Burns	Area 0.097 ac.	(fee) \$ 150.00
Robert E. Burns	Damages	100.00
Parcel No. 313 —Frank A. Delia	Area 0.025 ac.	(fee) \$ 218.00
Noreen R. Delia	Damages	250.00

and required for the construction of roads, titles and easements be approved, and be it further

RESOLVED, That the County Attorney be and hereby is authorized and directed to commence Condemnation Proceedings against the following owners, pursuant to Chapter 758 of the Laws of 1937, as amended:

Mr. PORDUM moved that the 4th Resolve of the report be amended to read as follows:

RESOLVED, that the Erie County Industrial Development Agency shall consist of five members. The Chairman of the Erie County Legislature shall recommend the names of the five members to be appointed — one of which must be a member of the Buffalo Chamber of Commerce and one member of the Economic Development, Transportation and Planning Committee of the Erie County Legislature. The recommendations for agency membership are subject to approval by a majority of the Erie County Legislature.

Mr. FLOSS seconded the motion.

Carried. (Viva Voce.)

* * * * *

Mr. FLOSS moved that the 4th Resolve of the report as amended be adopted and requested a roll call vote.

Mr. BOWLES seconded the motion.

Ayes — Abgott, Bowles, Carlsen, Doering, Floss, Keane, Miller, Pordum, Tauriello, Vackel, Wolf, Zagora.

Noes — Abbott, Clark, Ludera, Pletto, Tipple, Tuppen, Wnek.

AYES—12

NOES— 7

Carried.

CERTIFICATE
OF
ESTABLISHMENT
OF
THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
For Filing With Secretary of State

THIS IS TO CERTIFY that the Erie County Industrial Development Agency has been established by special act of the New York State Legislature, and the following is set forth pursuant to section 856 of the New York State Industrial Development Agency Act:

(1) The special act establishing the Agency was passed April 28, 1970 by Chapter 293 of the Laws of 1970 which became effective April 28, 1970.

(2) The name of the Agency is: Erie County Industrial Development Agency.

(3) The names of the members of the Agency, their Chairman, and their terms of office are as follows:

WALTER J. FLOSS, JR. 6221 Transit Road East Amherst, New York	Chairman
---	----------

PAUL WILLAX c/o Erie County Savings Bank Main Place Buffalo, New York	Member
--	--------

CLAUDE SHUCHTER M & T Trust Company 1 M & T Plaza Buffalo, New York	Member
--	--------

GEORGE L. WESSEL 1311 Claudette Court Cheektowaga, New York	Member
---	--------

DANIEL A. ROBLIN 290 Main Street Buffalo, New York	Member
--	--------

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED AUG 5 1970

John P. Lanning

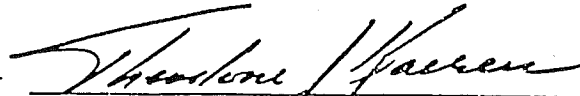
The term of office of the Chairman and of all members of the Agency is at the pleasure of the Erie County Legislature and until the successor of such Chairman or Member is appointed and has qualified.

(4) The facts establishing the need for such Agency in Erie County are as follows:

To promote the economic welfare of the inhabitants of Erie County and to actively promote, attract, encourage and develop economically sound commerce and industry in Erie County for the purpose of preventing unemployment and economic deterioration.

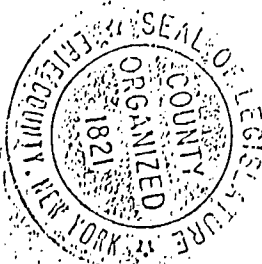
THE COUNTY LEGISLATURE OF THE COUNTY OF ERIE

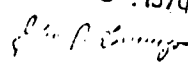
By



Deputy Clerk

Dated: August 3rd, 1970

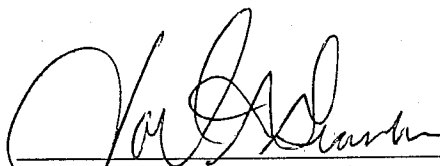


STATE OF NEW YORK
DEPARTMENT OF STATE
FILED AUG 5 - 1970

Secretary of State

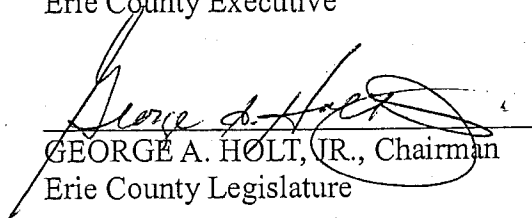
NOTICE OF APPOINTMENT

The undersigned, being the Erie County Executive and the Chairman of the Erie County Legislature, hereby confirm that we have appointed KEVIN J. CLARKE as a member of the Erie County Industrial Development Agency, effective immediately, pursuant to Section 891-a of the General Municipal Law, to serve until his successor shall be appointed.

Dated: April 22, 2004



JOELA A. GIAMBRA
Erie County Executive



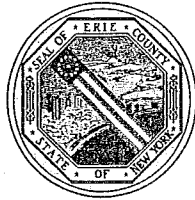
GEORGE A. HOLT, JR., Chairman
Erie County Legislature

FILED

APR 23 2004

**ERIE COUNTY
CLERK'S OFFICE**

ERIE COUNTY LEGISLATURE



25 Delaware Avenue
Buffalo, New York 14202

May 10, 2004

Department of State
~~162 Washington Avenue~~
Albany, New York 12231

Attention Mona L. Orciuoli
Miscellaneous Records Office

RECEIVED
MISC. RECORDS
MAY 17 2004 *MLO*
DEPARTMENT OF STATE

Dear Ms. Orciuoli:

Pursuant to Section 856, Subdivision 2 of the General Municipal Law, I enclose a Certificate of Appointment of Kevin J. Clarke as a member of the Erie County Industrial Development Agency together with two photocopies of the Certificate.

Will you please file the Certificate and send a stamped receipted copy of the Certificate acknowledging receipt and filing to:

- (1) The undersigned, and
- (2) Robert P. Fine, Esq.
Hurwitz & Fine, P.C.
1300 Liberty Building
Buffalo, New York 14202

As per your previous instructions, I have enclosed a duplicate copy of this letter and each Certificate for acknowledgment.

Thank you for your cooperation.

Very truly yours,

Kevin M. Kelley
KEVIN M. KELLEY, CLERK
ERIE COUNTY LEGISLATURE

Enclosures

CERTIFICATE OF APPOINTMENT
OF MEMBER OF ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

To the Honorable Secretary of the State of New York:

Pursuant to Section 856, Subdivision 2 of the General Municipal Law, the undersigned hereby certifies that the following person has been appointed and is currently serving as a Member of the Erie County Industrial Development Agency:

Kevin J. Clarke
89 Plantation Court
East Amherst, New York 14051

RECEIVED
MISC. RECORDS
MAY 17 2004
DEPARTMENT OF STATE

Effective: May 3, 2004

THE COUNTY LEGISLATURE OF
THE COUNTY OF ERIE

By Kevin M. Kelley
Kevin M. Kelley, Clerk

CSH



ERIE COUNTY LEGISLATURE

LAURIE A. MANZELLA
CLERK

RECEIVED

APR 26 1999

25 Delaware Avenue
Buffalo, New York 14202
(716) 858-7500
FAX (716) 858-8895

April 15, 1999

Department of State
41 State Street
Albany, New York 12231

RECEIVED
MISC. RECORDS

APR 19 1999

DEPARTMENT OF STATE

ATTENTION: Mona L. Orciuoli
Miscellaneous Records Office

Dear Ms. Orciuoli:

Pursuant to Section 856, Subdivision 2 of the General Municipal Law, I enclose a Certificate of Appointment of **JAMES F. DOHERTY** as a member of the Erie County Industrial Development Agency together with two photocopies of the Certificate.

Will you please file the Certificate and send a stamped receipted copy of the Certificate acknowledging receipt and filing to:

- (1) The undersigned, and
- (2) Robert P. Fine, Esq.
Hurwitz & Fine, P.C.
1300 Liberty Building
Buffalo, New York 14202

As per your previous instructions, I have enclosed a duplicate copy of this letter and the Certificate for acknowledgment.

Thank you for your cooperation.

Very truly yours,

LAURIE A. MANZELLA, Clerk
Erie County Legislature

Enclosures

CERTIFICATE OF APPOINTMENT
OF MEMBER OF ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

To the Honorable Secretary of the State of New York:

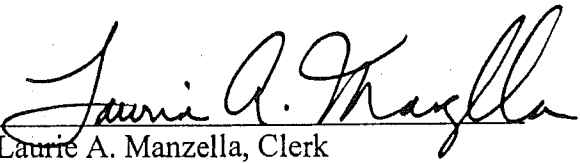
Pursuant to Section 856, Subdivision 2 of the General Municipal Law, the undersigned hereby certifies that the following person has been appointed and is currently serving as a Member of the Erie County Industrial Development Agency:

Mr. James F. Doherty
Laidlaw Transit, Inc.
301 Cayuga Road, Suite 200
Buffalo, New York 14225

Effective: April 14, 1999

THE COUNTY LEGISLATURE OF
THE COUNTY OF ERIE

RECEIVED
MISC. RECORDS
APR 19 1999
DEPARTMENT OF STATE

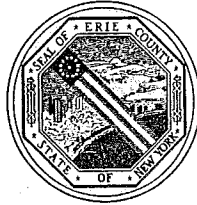
By 
Laurie A. Manzella, Clerk

RECEIVED

JAN 21 2004

ERIE COUNTY LEGISLATURE

LAURIE A. MANZELLA
CLERK



25 Delaware Avenue
Buffalo, New York 14202
(716) 858-7500
FAX (716) 858-8895

January 12, 2004

Department of State
41 State Street
Albany, New York 12231-0001

ATTENTION: *Mona L. Orciuoli*
Miscellaneous Records Office

RECEIVED
MISC RECORDS
JAN 14 2004
DEPARTMENT OF STATE

Dear Ms. Orciuoli:

Pursuant to Section 856, Subdivision 2 of the General Municipal Law, I enclose a Certificate of Appointment of **DAVID A. FRANCZYK** as a member of the Erie County Industrial Development Agency together with two photocopies of the Certificate.

Will you please file the Certificate and send a stamped receipted copy of the Certificate acknowledging receipt and filing to:

- (1) The undersigned, and
- (2) Robert P. Fine, Esq.
Hurwitz & Fine, P.C.
1300 Liberty Building
Buffalo, New York 14202

As per your previous instructions, I have enclosed a duplicate copy of this letter and the Certificate for acknowledgment.

Thank you for your cooperation.

Very truly yours,

A handwritten signature in cursive script that reads "Laurie A. Manzella".

LAURIE A. MANZELLA, Clerk
Erie County Legislature

Enclosures

CERTIFICATE OF APPOINTMENT
OF MEMBER OF ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

To the Honorable Secretary of the State of New York:

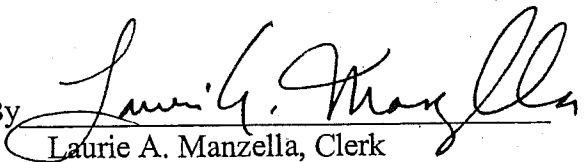
Pursuant to Section 856, Subdivision 2 of the General Municipal Law, the undersigned hereby certifies that the following person has been appointed and is currently serving as a Member of the Erie County Industrial Development Agency:

David A. Franczyk
1315 City Hall
Buffalo, New York 14202

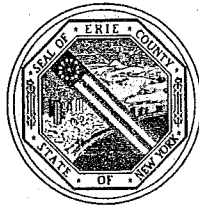
Effective: January 1, 2004

RECEIVED
MISC. RECORDS
JAN 14 2004
DEPARTMENT OF STATE

THE COUNTY LEGISLATURE OF
THE COUNTY OF ERIE

By 
Laurie A. Manzella, Clerk

RECEIVED
JAN 21 2004



DICC

ERIE COUNTY LEGISLATURE

LAURIE A. MANZELLA
CLERK

25 Delaware Avenue
Buffalo, New York 14202
(716) 858-7500
FAX (716) 858-8895

January 12, 2004

Department of State
41 State Street
Albany, New York 12231-0001

RECEIVED
MISC. RECORDS
JAN 14 2004
DEPARTMENT OF STATE

ATTENTION: *Mona L. Orciuoli*
Miscellaneous Records Office

Dear Ms. Orciuoli:

Pursuant to Section 856, Subdivision 2 of the General Municipal Law, I enclose a Certificate of Appointment of **DENNIS H. GABRYSZAK** as a member of the Erie County Industrial Development Agency together with two photocopies of the Certificate.

Will you please file the Certificate and send a stamped receipted copy of the Certificate acknowledging receipt and filing to:

- (1) The undersigned, and
- (2) Robert P. Fine, Esq.
Hurwitz & Fine, P.C.
1300 Liberty Building
Buffalo, New York 14202

As per your previous instructions, I have enclosed a duplicate copy of this letter and the Certificate for acknowledgment.

Thank you for your cooperation.

Very truly yours,

A handwritten signature in cursive script that reads "Laurie A. Manzella".

LAURIE A. MANZELLA, Clerk
Erie County Legislature

Enclosures

CERTIFICATE OF APPOINTMENT
OF MEMBER OF ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

To the Honorable Secretary of the State of New York:

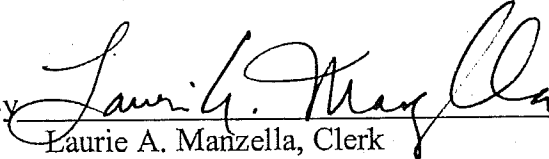
Pursuant to Section 856, Subdivision 2 of the General Municipal Law, the undersigned hereby certifies that the following person has been appointed and is currently serving as a Member of the Erie County Industrial Development Agency:

Dennis H. Gabryszak
Broadway and Union Roads
Cheektowaga, New York 14227

RECEIVED
MISC. RECORDS
JAN 14 2004
DEPARTMENT OF STATE

Effective: January 1, 2004

THE COUNTY LEGISLATURE OF
THE COUNTY OF ERIE

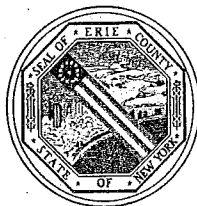
By 
Laurie A. Manzella, Clerk

RECEIVED

JAN 21 2004

ERIE COUNTY LEGISLATURE

LAURIE A. MANZELLA
CLERK



25 Delaware Avenue
Buffalo, New York 14202
(716) 858-7500
FAX (716) 858-8895

January 12, 2004

Department of State
41 State Street
Albany, New York 12231-0001

ATTENTION: *Mona L. Orciuoli*
Miscellaneous Records Office

RECEIVED
MISC. RECORDS
JAN 14 2004
DEPARTMENT OF STATE

Dear Ms. Orciuoli:

Pursuant to Section 856, Subdivision 2 of the General Municipal Law, I enclose a Certificate of Appointment of **JOEL A. GIAMBRA** as a member of the Erie County Industrial Development Agency together with two photocopies of the Certificate.

Will you please file the Certificate and send a stamped receipted copy of the Certificate acknowledging receipt and filing to:

- (1) The undersigned, and
- (2) Robert P. Fine, Esq.
Hurwitz & Fine, P.C.
1300 Liberty Building
Buffalo, New York 14202

As per your previous instructions, I have enclosed a duplicate copy of this letter and the Certificate for acknowledgment.

Thank you for your cooperation.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Laurie A. Manzella", is written over a horizontal line.

LAURIE A. MANZELLA, Clerk
Erie County Legislature

Enclosures

CERTIFICATE OF APPOINTMENT
OF MEMBER OF ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

To the Honorable Secretary of the State of New York:

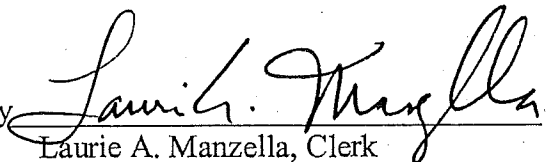
Pursuant to Section 856, Subdivision 2 of the General Municipal Law, the undersigned hereby certifies that the following person has been appointed and is currently serving as a Member of the Erie County Industrial Development Agency:

Joel A. Giambra
95 Franklin Street
Buffalo, New York 14202

RECEIVED
MISC. RECORDS
JAN 14 2004
DEPARTMENT OF STATE

Effective: January 1, 2004

THE COUNTY LEGISLATURE OF
THE COUNTY OF ERIE

By 
Laurie A. Manzella, Clerk

ERIE COUNTY LEGISLATURE

LAURIE A. MANZELLA
CLERK



25 Delaware Avenue
Buffalo, New York 14202
(716) 858-7500
FAX (716) 858-8895

January 15, 2002

Department of State
41 State Street
Albany, New York 12231-0001

RECEIVED
MISC. RECORDS
JAN 17 2002
DEPARTMENT OF STATE

ATTENTION: *Mona L. Orcioli*
Miscellaneous Records Office

Dear Ms. Orcioli:

Pursuant to Section 856, Subdivision 2 of the General Municipal Law, I enclose a Certificate of Appointment of **SUSAN GRELICK** as a member of the Erie County Industrial Development Agency together with two photocopies of the Certificate.

Will you please file the Certificate and send a stamped receipted copy of the Certificate acknowledging receipt and filing to:

- (1) The undersigned, and
- (2) Robert P. Fine, Esq.
Hurwitz & Fine, P.C.
1300 Liberty Building
Buffalo, New York 14202

As per your previous instructions, I have enclosed a duplicate copy of this letter and the Certificate for acknowledgment.

Thank you for your cooperation.

Very truly yours,

A handwritten signature in cursive script that reads "Laurie A. Manzella".
LAURIE A. MANZELLA, Clerk
Erie County Legislature

Enclosures

CERTIFICATE OF APPOINTMENT
OF MEMBER OF ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

To the Honorable Secretary of the State of New York:

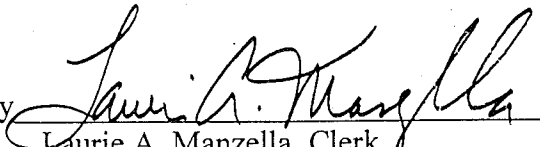
Pursuant to Section 856, Subdivision 2 of the General Municipal Law, the undersigned hereby certifies that the following person has been appointed and is currently serving as a Member of the Erie County Industrial Development Agency:

The Honorable Susan Grelick
Supervisor, Town of Amherst
5583 Main Street
Williamsville, New York 14221

RECEIVED
MISC DEPT
JAN 17 2002
DEPART

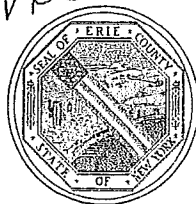
Effective: January 1, 2002

THE COUNTY LEGISLATURE OF
THE COUNTY OF ERIE

By 
Laurie A. Manzella, Clerk

ERIE COUNTY LEGISLATURE

LAURIE A. MANZELLA
CLERK



25 Delaware Avenue
Buffalo, New York 14202
(716) 858-7500
FAX (716) 858-8895

August 6, 2003

Department of State
41 State Street
Albany, New York 12231-0001

RECEIVED
MISC. RECORDS
AUG -- 8 2003
DEPARTMENT OF STATE

ATTENTION: *Mona L. Orciuoli*
Miscellaneous Records Office

RECEIVED
AUG 1 8 2003

Dear Ms. Orciuoli:

Pursuant to Section 856, Subdivision 2 of the General Municipal Law, I enclose a Certificate of Appointment of **MARSHA S. HENDERSON** as a member of the Erie County Industrial Development Agency together with two photocopies of the Certificate.

Will you please file the Certificate and send a stamped receipted copy of the Certificate acknowledging receipt and filing to:

- (1) The undersigned, and
- (2) Robert P. Fine, Esq.
Hurwitz & Fine, P.C.
1300 Liberty Building
Buffalo, New York 14202

As per your previous instructions, I have enclosed a duplicate copy of this letter and the Certificate for acknowledgment.

Thank you for your cooperation.

Very truly yours,

LAURIE A. MANZELLA, Clerk
Erie County Legislature

Enclosures

CERTIFICATE OF APPOINTMENT
OF MEMBER OF ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

To the Honorable Secretary of the State of New York:

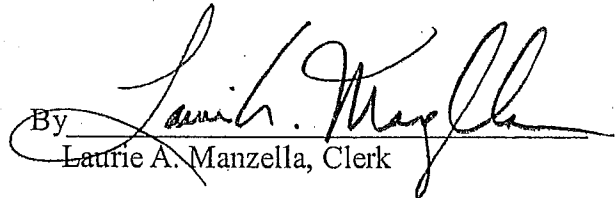
Pursuant to Section 856, Subdivision 2 of the General Municipal Law, the undersigned hereby certifies that the following person has been appointed and is currently serving as a Member of the Erie County Industrial Development Agency:

Marsha S. Henderson
Buffalo Niagara Partnership
665 Main Street
Suite 200
Buffalo, New York 14203

RECEIVED
MISC. RECORDS
AUG - 8 2003
DEPARTMENT OF STATE

Effective: August 1, 2003

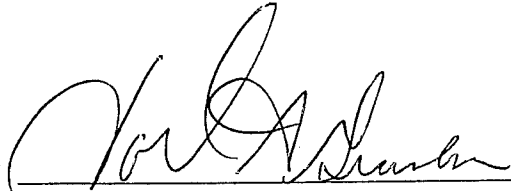
THE COUNTY LEGISLATURE OF
THE COUNTY OF ERIE

By 
Laurie A. Manzella, Clerk

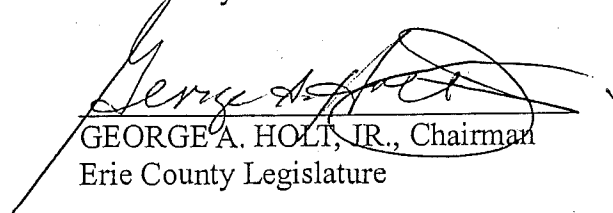
NOTICE OF APPOINTMENT

The undersigned, being the Erie County Executive and the Chairman of the Erie County Legislature, hereby confirm that we have appointed GEORGE A. HOLT, JR. as a member of the Erie County Industrial Development Agency, effective immediately, pursuant to Section 891-a of the General Municipal Law, to serve until his successor shall be appointed.

Dated: April 22, 2004



JOEL A. GIAMBRA
Erie County Executive



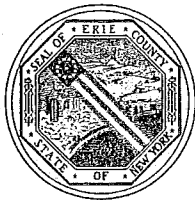
GEORGE A. HOLT, JR., Chairman
Erie County Legislature

FILED

APR 23 2004

**ERIE COUNTY
CLERK'S OFFICE**

ERIE COUNTY LEGISLATURE



25 Delaware Avenue
Buffalo, New York 14202

May 10, 2004

Department of State
~~162 Washington Avenue~~
Albany, New York 12231

Attention Mona L. Orciuoli
 Miscellaneous Records Office

Dear Ms. Orciuoli:

Pursuant to Section 856, Subdivision 2 of the General Municipal Law, I enclose a Certificate of Appointment of George A. Holt, Jr. as a member of the Erie County Industrial Development Agency together with two photocopies of the Certificate.

Will you please file the Certificate and send a stamped receipted copy of the Certificate acknowledging receipt and filing to:

- (1) The undersigned, and
- (2) Robert P. Fine, Esq.
 Hurwitz & Fine, P.C.
 1300 Liberty Building
 Buffalo, New York 14202

As per your previous instructions, I have enclosed a duplicate copy of this letter and each Certificate for acknowledgment.

Thank you for your cooperation.

Very truly yours,

Kevin M. Kelley
KEVIN M. KELLEY, CLERK
ERIE COUNTY LEGISLATURE

Enclosures

REC'D
MISC. RECORDS
MAY 17 2004
DEPARTMENT OF STATE

CERTIFICATE OF APPOINTMENT
OF MEMBER OF ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

To the Honorable Secretary of the State of New York:

Pursuant to Section 856, Subdivision 2 of the General Municipal Law, the undersigned hereby certifies that the following person has been appointed and is currently serving as a Member of the Erie County Industrial Development Agency:

The Honorable George A. Holt, Jr.
Chairman
Erie County Legislature
25 Delaware Avenue
Buffalo, New York 14202

Effective: May 3, 2004

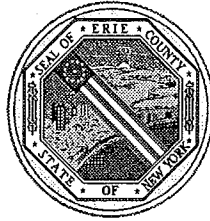
THE COUNTY LEGISLATURE OF
THE COUNTY OF ERIE

By Kevin M. Kelley
Kevin M. Kelley, Clerk

RECEIVED
MISC. RECORDS
MAY 12 2004
DEPARTMENT OF STATE

ERIE COUNTY LEGISLATURE

KEVIN M. KELLEY
CLERK



25 Delaware Avenue
Buffalo, New York 14202
716/858-7500
FAX: 716/858-8895

March 14, 2005

Department of State
41 State Street
Albany, New York 12231

Attention: Mona L. Orciuoli
Miscellaneous Records Office

RECEIVED
MISC. RECORDS

MAR 16 2005

DEPARTMENT OF STATE

Dear Ms. Orciuoli:

Pursuant to Section 856, Subdivision 2 of the General Municipal Law, I enclose a Certificate of Appointment of Mark R. Jones as a member of the Erie County Industrial Development Agency together with two photocopies of the Certificate.

Will you please file the Certificate and send a stamped receipted copy of the Certificate acknowledging receipt and filing to:

- (1) The undersigned, and
- (2) Robert P. Fine, Esq.
Hurwitz & Fine, P.C.
1300 Liberty Building
Buffalo, New York 14202

As per your previous instructions, I have enclosed a duplicate copy of this letter and each Certificate for acknowledgment.

Thank you for your cooperation.

Very truly yours,

Kevin M. Kelley
KEVIN M. KELLEY, CLERK
ERIE COUNTY LEGISLATURE

Enclosures

CERTIFICATE OF APPOINTMENT
OF MEMBER OF ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

To the Honorable Secretary of the State of New York:

Pursuant to Section 856, Subdivision 2 of the General Municipal Law, the undersigned hereby certifies that the following person has been appointed and is currently serving as a Member of the Erie County Industrial Development Agency:

Mark R. Jones
374 Delaware Avenue
Suite 403
Buffalo, New York 14202

RECEIVED
MISC RECORDS
MAR 16 2005
DEPARTMENT OF STATE

Effective: March 14, 2005

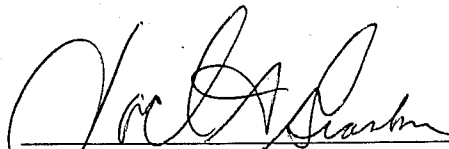
THE COUNTY LEGISLATURE OF
THE COUNTY OF ERIE

By Kevin M. Kelley
Kevin M. Kelley, Clerk

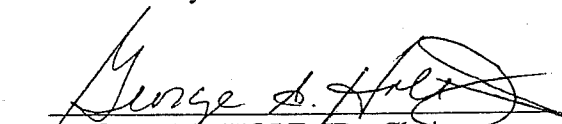
NOTICE OF APPOINTMENT

The undersigned, being the Erie County Executive and the Chairman of the Erie County Legislature, hereby confirm that we have appointed ALFRED F. LUHR, III as a member of the Erie County Industrial Development Agency, effective immediately, pursuant to Section 891-a of the General Municipal Law, to serve until his successor shall be appointed.

Dated: April 22, 2004



JOEL A. GIAMBRA
Erie County Executive



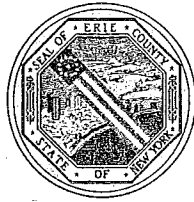
GEORGE A. HOLT, JR., Chairman
Erie County Legislature

FILED

'APR 23 2004

**ERIE COUNTY
CLERK'S OFFICE**

ERIE COUNTY LEGISLATURE



25 Delaware Avenue
Buffalo, New York 14202

May 10, 2004

Department of State
~~162 Washington Avenue~~
Albany, New York 12231

Attention Mona L. Orciuoli
Miscellaneous Records Office

RECEIVED
MISC. RECORDS
MAY 17 2004
DEPARTMENT OF STATE
MLC

Dear Ms. Orciuoli:

Pursuant to Section 856, Subdivision 2 of the General Municipal Law, I enclose a Certificate of Appointment of Alfred F. Luhr III as a member of the Erie County Industrial Development Agency together with two photocopies of the Certificate.

Will you please file the Certificate and send a stamped receipted copy of the Certificate acknowledging receipt and filing to:

- (1) The undersigned, and
- (2) Robert P. Fine, Esq.
Hurwitz & Fine, P.C.
1300 Liberty Building
Buffalo, New York 14202

As per your previous instructions, I have enclosed a duplicate copy of this letter and each Certificate for acknowledgment.

Thank you for your cooperation.

Very truly yours,

Kevin M. Kelley
KEVIN M. KELLEY, CLERK
ERIE COUNTY LEGISLATURE

Enclosures

CERTIFICATE OF APPOINTMENT
OF MEMBER OF ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

To the Honorable Secretary of the State of New York:

Pursuant to Section 856, Subdivision 2 of the General Municipal Law, the undersigned hereby certifies that the following person has been appointed and is currently serving as a Member of the Erie County Industrial Development Agency:

Alfred F. Luhr, III
Senior Vice President
Manufacturers and Traders Trust Company
4925 Main Street
Amherst, New York 14226

Effective: May 3, 2004

THE COUNTY LEGISLATURE OF
THE COUNTY OF ERIE

RECEIVED
MISC RECORDS
MAY 17 2004
DEPARTMENT OF STATE

By Kevin M. Kelley
Kevin M. Kelley, Clerk

ERIE COUNTY LEGISLATURE

LAURIE A. MANZELLA
CLERK



to OKC

25 Delaware Avenue
Buffalo, New York 14202
(716) 858-7500
FAX (716) 858-8895

January 15, 2002

Department of State
41 State Street
Albany, New York 12231-0001

RECEIVED
MISCELLANEOUS RECORDS
JAN 17 2002: *mlo*
DEPARTMENT OF STATE

ATTENTION: *Mona L. Orcioli*
Miscellaneous Records Office

Dear Ms. Orcioli:

Pursuant to Section 856, Subdivision 2 of the General Municipal Law, I enclose a Certificate of Appointment of **ANTHONY M. MASIELLO** as a member of the Erie County Industrial Development Agency together with two photocopies of the Certificate.

Will you please file the Certificate and send a stamped receipted copy of the Certificate acknowledging receipt and filing to:

- (1) The undersigned, and
- (2) Robert P. Fine, Esq.
Hurwitz & Fine, P.C.
1300 Liberty Building
Buffalo, New York 14202

As per your previous instructions, I have enclosed a duplicate copy of this letter and the Certificate for acknowledgment.

Thank you for your cooperation.

Very truly yours,

A handwritten signature in cursive script that reads "Laurie A. Manzella".

LAURIE A. MANZELLA, Clerk
Erie County Legislature

Enclosures

CERTIFICATE OF APPOINTMENT
OF MEMBER OF ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

To the Honorable Secretary of the State of New York:

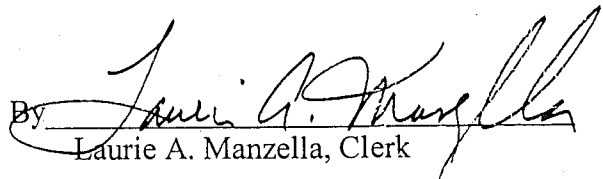
Pursuant to Section 856, Subdivision 2 of the General Municipal Law, the undersigned hereby certifies that the following person has been appointed and is currently serving as a Member of the Erie County Industrial Development Agency:

The Honorable Anthony M. Masiello
Mayor, City of Buffalo
City Hall
Buffalo, New York 14202

RECEIVED
MAYOR RECORDS
JAN 17 2002

Effective: January 1, 2002

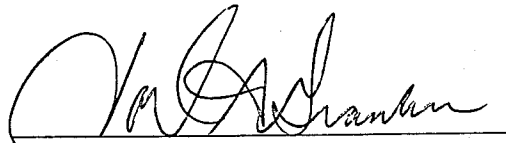
THE COUNTY LEGISLATURE OF
THE COUNTY OF ERIE

By 
Laurie A. Manzella, Clerk

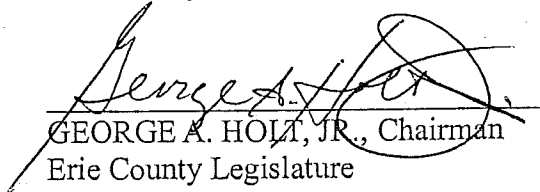
NOTICE OF APPOINTMENT

The undersigned, being the Erie County Executive and the Chairman of the Erie County Legislature, hereby confirm that we have appointed SUSAN A. McCARTNEY as a member of the Erie County Industrial Development Agency, effective immediately, pursuant to Section 891-a of the General Municipal Law, to serve until his successor shall be appointed.

Dated: April 22, 2004



JOELA A. GIAMBRA
Erie County Executive



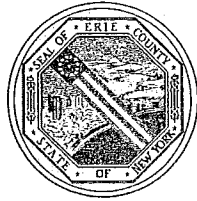
GEORGE A. HOLT, JR., Chairman
Erie County Legislature

FILED

APR 29 2004

**ERIE COUNTY
CLERK'S OFFICE**

ERIE COUNTY LEGISLATURE



25 Delaware Avenue
Buffalo, New York 14202

May 10, 2004

Department of State
~~162 Washington Avenue~~
Albany, New York 12231

RECEIVED
MISC RECORDS
MAY 17 2004
DEPARTMENT OF STATE

Attention Mona L. Orciuoli
Miscellaneous Records Office

Dear Ms. Orciuoli:

Pursuant to Section 856, Subdivision 2 of the General Municipal Law, I enclose a Certificate of Appointment of Susan A. McCartney as a member of the Erie County Industrial Development Agency together with two photocopies of the Certificate.

Will you please file the Certificate and send a stamped receipted copy of the Certificate acknowledging receipt and filing to:

- (1) The undersigned, and
- (2) Robert P. Fine, Esq.
Hurwitz & Fine, P.C.
1300 Liberty Building
Buffalo, New York 14202

As per your previous instructions, I have enclosed a duplicate copy of this letter and each Certificate for acknowledgment.

Thank you for your cooperation.

Very truly yours,

Kevin M. Kelley
KEVIN M. KELLEY, CLERK
ERIE COUNTY LEGISLATURE

Enclosures

CERTIFICATE OF APPOINTMENT
OF MEMBER OF ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

To the Honorable Secretary of the State of New York:

Pursuant to Section 856, Subdivision 2 of the General Municipal Law, the undersigned hereby certifies that the following person has been appointed and is currently serving as a Member of the Erie County Industrial Development Agency:

Susan A. McCartney
Buffalo State College
BA116
1300 Elmwood Avenue
Buffalo, New York 14222

Effective: May 3, 2004

THE COUNTY LEGISLATURE OF
THE COUNTY OF ERIE

RECEIVED
MISC. RECORDS
MAY 17 2004
DEPARTMENT OF STATE

By Kevin M. Kelley
Kevin M. Kelley, Clerk

CERTIFICATE OF APPOINTMENT
OF MEMBER OF ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

To the Honorable Secretary of the State of New York:

Pursuant to Section 856, Subdivision 2 of the General Municipal Law, the undersigned hereby certifies that the following person has been appointed and is currently serving as a Member of the Erie County Industrial Development Agency:

Lawrence M. Meckler, Esq.
Niagara Frontier Transportation Authority
181 Ellicott Street
Buffalo, New York 14203

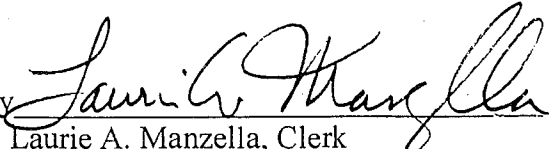
Effective: June 16, 1999

THE COUNTY LEGISLATURE OF
THE COUNTY OF ERIE

RECEIVED
MISC RECORDS

JUN 21 1999

SECRETARY OF STATE BY


Laurie A. Manzella, Clerk

ERIE COUNTY LEGISLATURE

LAURIE A. MANZELLA
CLERK



C JH
25 Delaware Avenue
Buffalo, New York 14202
(716) 858-7500
FAX (716) 858-8895

June 18, 1999

RECEIVED
MISC. RECORDS
JUN 21 1999
DEPARTMENT OF STATE

Department of State
41 State Street
Albany, New York 12231

ATTENTION: *Mona L. Orciuoli*
Miscellaneous Records Office

Dear Ms. Orciuoli:

Pursuant to Section 856, Subdivision 2 of the General Municipal Law, I enclose a Certificate of Appointment of **LAWRENCE M. MECKLER** as a member of the Erie County Industrial Development Agency together with two photocopies of the Certificate.

Will you please file the Certificate and send a stamped receipted copy of the Certificate acknowledging receipt and filing to:

- (1) The undersigned, and
- (2) Robert P. Fine, Esq.
Hurwitz & Fine, P.C.
1300 Liberty Building
Buffalo, New York 14202

As per your previous instructions, I have enclosed a duplicate copy of this letter and the Certificate for acknowledgment.

Thank you for your cooperation.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Laurie A. Manzella".

LAURIE A. MANZELLA, Clerk
Erie County Legislature

Enclosures

ERIE COUNTY LEGISLATURE

LAURIE A. MANZELLA
CLERK



CJA

25 Delaware Avenue
Buffalo, New York 14202
(716) 858-7500
FAX (716) 858-8895

July 15, 1998

Department of State
41 State Street
Albany, New York 12231

RECEIVED
MISC. RECORDS
JUL 17 1998
DEPARTMENT OF STATE

Attention: Mona L. Orcioli
Miscellaneous Records Office

Dear Ms. Orcioli:

Pursuant to Section 856, Subdivision 2 of the General Municipal Law, I enclose a Certificate of Appointment of **Frank B. Mesiah** as a member of the Erie County Industrial Development Agency together with two photocopies of the Certificate.

Will you please file the Certificate and send a stamped receipted copy of the Certificate acknowledging receipt and filing to:

- (1) The undersigned, and
- (2) Robert P. Fine, Esq.
Hurwitz & Fine, P.C.
1300 Liberty Building
Buffalo, New York 14202

As per your previous instructions, I have enclosed a duplicate copy of this letter and the Certificate for acknowledgment.

Thank you for your cooperation.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Laurie A. Manzella".

LAURIE A. MANZELLA, CLERK
ERIE COUNTY LEGISLATURE

Encls.

CERTIFICATE OF APPOINTMENT
OF MEMBER OF ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

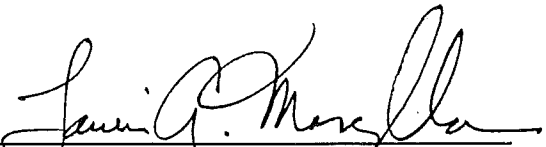
To the Honorable Secretary of the State of New York:

Pursuant to Section 856, Subdivision 2 of the General Municipal Law, the undersigned hereby certifies that the following person has been appointed and is currently serving as a Member of the Erie County Industrial Development Agency:

Mr. Frank B. Mesiah
National Association for the Advancement of
Colored People - Buffalo Chapter
1490 Jefferson Avenue
Buffalo, New York 14208

Effective: July 15, 1998

THE COUNTY LEGISLATURE OF
THE COUNTY OF ERIE

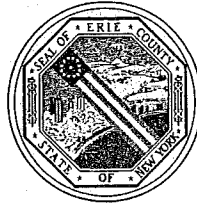
By 
Laurie A. Manzella, Clerk

RECEIVED

JAN 21 2004

ERIE COUNTY LEGISLATURE

LAURIE A. MANZELLA
CLERK



25 Delaware Avenue
Buffalo, New York 14202
(716) 858-7500
FAX (716) 858-8895

January 12, 2004

Department of State
41 State Street
Albany, New York 12231-0001

ATTENTION: *Mona L. Orciuoli*
Miscellaneous Records Office

RECEIVED
MISC. RECORDS
JAN 14 2004
DEPARTMENT OF STATE

Dear Ms. Orciuoli:

Pursuant to Section 856, Subdivision 2 of the General Municipal Law, I enclose a Certificate of Appointment of **RONALD H. MOLINE** as a member of the Erie County Industrial Development Agency together with two photocopies of the Certificate.

Will you please file the Certificate and send a stamped receipted copy of the Certificate acknowledging receipt and filing to:

- (1) The undersigned, and
- (2) Robert P. Fine, Esq.
Hurwitz & Fine, P.C.
1300 Liberty Building
Buffalo, New York 14202

As per your previous instructions, I have enclosed a duplicate copy of this letter and the Certificate for acknowledgment.

Thank you for your cooperation.

Very truly yours,

A handwritten signature in cursive script, reading "Laurie A. Manzella".

LAURIE A. MANZELLA, Clerk
Erie County Legislature

Enclosures

CERTIFICATE OF APPOINTMENT
OF MEMBER OF ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

To the Honorable Secretary of the State of New York:

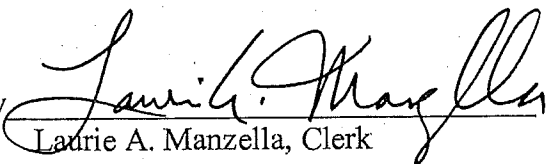
Pursuant to Section 856, Subdivision 2 of the General Municipal Law, the undersigned hereby certifies that the following person has been appointed and is currently serving as a Member of the Erie County Industrial Development Agency:

Ronald H. Moline
Kenmore Municipal Building
Kenmore, New York 14217

RECEIVED
MISC. RECORDS
JAN 14 2004
DEPARTMENT OF STATE

Effective: January 1, 2004

THE COUNTY LEGISLATURE OF
THE COUNTY OF ERIE

By 
Laurie A. Manzella, Clerk

**CERTIFICATE OF APPOINTMENT
OF MEMBER OF ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

To the Honorable Secretary of the State of New York:

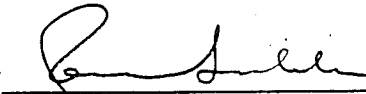
Pursuant to Section 856, Subdivision 2 of the General Municipal Law, the undersigned hereby certifies that the following person has been appointed and is currently serving as a Member of the Erie County Industrial Development Agency:

Dr. Andrew J. Rudnick
President
Greater Buffalo Partnership
300 Main Place Tower
Buffalo, New York 14202

Effective: January 6, 1994

THE COUNTY LEGISLATURE OF
THE COUNTY OF ERIE

By



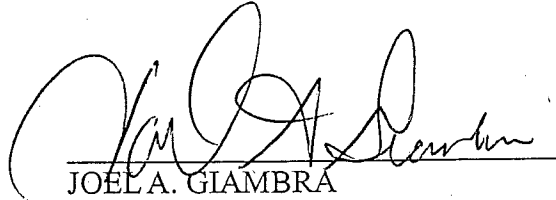
Roseann Scibilia, Clerk

RECEIVED
MAY 13 1994
DEPT. OF...

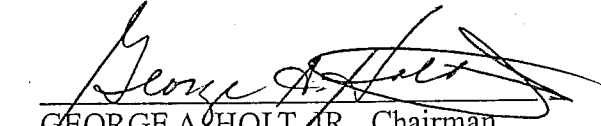
NOTICE OF APPOINTMENT

The undersigned, being the Erie County Executive and the Chairman of the Erie County Legislature, hereby confirm that we have appointed FRED B. SAIA as a member of the Erie County Industrial Development Agency, effective immediately, pursuant to Section 891-a of the General Municipal Law, to serve until his successor shall be appointed.

Dated: April 22, 2004



JOEL A. GIAMBRA
Erie County Executive



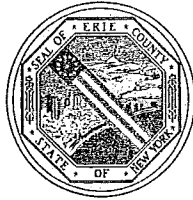
GEORGE A. HOLT, JR., Chairman
Erie County Legislature

FILED

APR 23 2004

**ERIE COUNTY
CLERK'S OFFICE**

ERIE COUNTY LEGISLATURE



25 Delaware Avenue
Buffalo, New York 14202

May 10, 2004

Department of State
~~162 Washington Avenue~~
Albany, New York 12231

41 State St.

RECEIVED
MISC. RECORDS
MAY 17 2004
DEPARTMENT OF STATE

Attention Mona L. Orciuoli
Miscellaneous Records Office

Dear Ms. Orciuoli:

Pursuant to Section 856, Subdivision 2 of the General Municipal Law, I enclose a Certificate of Appointment of Fred B. Saia as a member of the Erie County Industrial Development Agency together with two photocopies of the Certificate.

Will you please file the Certificate and send a stamped receipted copy of the Certificate acknowledging receipt and filing to:

- (1) The undersigned, and
- (2) Robert P. Fine, Esq.
Hurwitz & Fine, P.C.
1300 Liberty Building
Buffalo, New York 14202

As per your previous instructions, I have enclosed a duplicate copy of this letter and each Certificate for acknowledgment.

Thank you for your cooperation.

Very truly yours,

Kevin M. Kelley
KEVIN M. KELLEY, CLERK
ERIE COUNTY LEGISLATURE

Enclosures

CERTIFICATE OF APPOINTMENT
OF MEMBER OF ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

To the Honorable Secretary of the State of New York:

Pursuant to Section 856, Subdivision 2 of the General Municipal Law, the undersigned hereby certifies that the following person has been appointed and is currently serving as a Member of the Erie County Industrial Development Agency:

Fred B. Saia
331 McKinley Avenue
Kenmore, New York 14217

Effective: May 3, 2004

RECEIVED
MISC RECORDS
MAY 17 2004
DEPARTMENT OF STATE

THE COUNTY LEGISLATURE OF
THE COUNTY OF ERIE

By Kevin M. Kelley
Kevin M. Kelley, Clerk

DKC

CERTIFICATE OF APPOINTMENT
OF MEMBER OF ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

To the Honorable Secretary of the State of New York:

Pursuant to Section 856, Subdivision 2 of the General Municipal Law, the undersigned hereby certifies that the following person has been appointed and is currently serving as a Member of the Erie County Industrial Development Agency:

John Semler
4451 East Overlook Drive
Williamsville, New York 14221

Effective: July 12, 2004

THE COUNTY LEGISLATURE OF
THE COUNTY OF ERIE

RECEIVED
MISC. RECORDS
JUL 15 2004
DEPARTMENT OF STATE

By Kevin M. Kelley
Kevin M. Kelley, Clerk

RECEIVED
JUL 23 2004

CERTIFICATE OF APPOINTMENT
OF MEMBER OF ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

To the Honorable Secretary of the State of New York:

Pursuant to Section 856, Subdivision 2 of the General Municipal Law, the undersigned hereby certifies that the following person has been appointed and is currently serving as a Member of the Erie County Industrial Development Agency:

Timothy M. Wroblewski
1500 Union Road
West Seneca, New York 14224

Effective: February 14, 2005

THE COUNTY LEGISLATURE OF
THE COUNTY OF ERIE

RECEIVED
MISC. RECORDS
FEB 25 2005 *ML*
DEPARTMENT OF STATE

By

Kevin M. Kelley
Kevin M. Kelley, Clerk

AGENCY GENERAL CERTIFICATE

The undersigned, Assistant Treasurer of the Erie County Industrial Development Agency (the "Agency"), a corporate governmental agency constituting a body corporate and politic and a public benefit corporation organized and existing under the laws of the State of New York, HEREBY CERTIFIES, as follows:

1.A. The following persons are the members of the Agency, holding the offices, if any, set forth opposite their names:

Kevin J. Clarke - Chair
James F. Doherty
David A. Franczyk
Dennis H. Gabryszak
Joel A. Giambra
Susan Grelick
Marsha S. Henderson
George A. Holt, Jr.
Mark R. Jones
Alfred F. Luhr, III
Anthony M. Masiello
Susan B. McCartney
Lawrence M. Meckler
Frank B. Mesiah
Ronald H. Moline
Andrew J. Rudnick
Fred B. Saia
John Semler
Timothy M. Wroblewski

B. The following persons are officers of the Agency, holding the offices set forth opposite their names:

Charles E. Webb is President/CEO/Executive Director of the Agency.

Alfred D. Culliton is the CFO/Treasurer of the Agency.

Karen M. Fiala, David W. Kerchoff and Andrew Schoeppich are Assistant Treasurers of the Agency.

Robert P. Fine is Secretary of the Agency.

Christopher J. Hurley and Diane K. Church are
Assistant Secretaries of the Agency.

2. That attached hereto is a true and correct copy of the By-Laws of the Agency as in effect on the date hereof and that said copy has been compared by the undersigned with the original thereof on file in the Minutes Book of the Agency and that said copy is a correct copy thereof and of the whole of said By-Laws and that the same has not been altered, amended or repealed, but is in full force and effect.

3. That attached hereto is a true, correct and complete copy of the notice of the meeting of the Agency held on June 13, 2005 which was given pursuant to the By-Laws and duly sent to each member of the Agency, all in accordance with the applicable provisions of the Agency's By-Laws.

4. That attached hereto is a true, correct and complete copy of a resolution duly adopted on June 13, 2005 by the Agency describing the Project (as defined in the Lease Agreement, herein defined) and the financial assistance the Agency at that time contemplated with respect to the Project.

5. That attached hereto is a true, correct and complete copy of the Resolutions duly adopted on June 13, 2005 by the Agency (i) authorizing the acquisition, construction and installation of the Project and the leasing of the Project (as defined in the Lease Amendment) to the Lessee, (ii) authorizing and approving the execution and delivery of the Lease Amendment, the PILOT Amendment and other necessary documents, and (iii) approving State Environmental Quality Review Act (SEQRA) proceedings and other matters in connection therewith.

6. That the resolutions described above were duly adopted at a meeting of the Agency duly called and held, and at which a quorum was present and acted throughout and that said resolutions are in full force and effect and have not been modified, amended or rescinded as of the

date of this Certificate.

7. That attached hereto is a true, correct and complete copy of the notice of public hearing with respect to the Project held by the Agency, which notice was published by the Buffalo News in its March 6, 2005 edition, and which notice was forwarded to the chief executive officer of each affected tax jurisdiction, by certified mail, return receipt requested, on March 4, 2005.

8. That attached hereto is a true, correct and complete copy of the Notice of Deviation from Uniform Tax Exemption Policy pursuant to General Municipal Law §874(4)(c) with respect to the Project that was forwarded to the chief executive officer of each affected tax jurisdiction, by certified mail, return receipt requested, on March 9, 2005, along with follow-up notices sent certified mail, return receipt requested, on April 8, 2005 and May 9, 2005, and other related correspondence with the Williamsville Central School District.

9. That attached hereto is a true, correct and complete copy of the transcript of the public hearing for the Project held on April 8, 2005 at Council Chambers, Amherst Town Hall, 5583 Main Street, Williamsville, New York 14221 at 9:00 a.m. o'clock, along with copies of any written submissions made by any party subsequent to the date of said public hearing with respect to the Project. The items attached were presented to the Agency and duly considered at its June 13, 2005 meeting, prior to adopting the resolution with regard to this Project referenced above at said meeting.

10. That attached to the Record of Proceedings is a true, correct and complete copy of the Amendment to Lease Agreement dated as of June 1, 2005 (the "Lease Amendment") between the Agency and Episcopal Church Home & Affiliates Life Care Community, Inc. (the "Lessee"), which was duly authorized by the members of the Agency by resolutions described above, and which was executed and delivered by the officers of the Agency authorized to do so.

11. That attached to the Record of Proceedings is a true, correct and complete copy of the Amendment to Agreement for Payment in Lieu of Real Estate Taxes dated as of June 1, 2005 (the "PILOT Amendment") between the Agency and the Lessee, which was duly authorized by the members of the Agency by resolution adopted on June 13, 2005, and which was executed and delivered by the officers of the Agency authorized to do so.

12. That attached to the Record of Proceedings are true, correct and complete copies of the Project Loan Mortgage, Assignment of Rents, Security Agreement and Fixture Filing and the Construction Loan Mortgage, Assignment of Rents, Security Agreement and Fixture Filing, each dated as of June 17, 2005 (collectively, the "Mortgage Agreement") from the Agency and the Lessee to KeyBank National Association, which were duly authorized by the members of the Agency by resolution adopted on June 13, 2005, and which were executed and delivered by the officers of the Agency authorized to do so. The Lease Amendment, the PILOT Amendment and the Mortgage Agreement are hereinafter referred to collectively as the "Agency Documents".

THE UNDERSIGNED FURTHER CERTIFIES AS FOLLOWS:

1. On or before the date hereof the undersigned officially signed the Agency Documents, being at the date of such signing and on this date, the duly chosen, qualified and acting officer authorized to execute the Agency Documents.

2. The Agency Documents has been duly executed in the name and on behalf of the Agency by the manual signature of the Assistant Treasurer of the Agency.

3. No controversy or litigation of any nature is now pending or threatened (either in State or Federal Courts) directly against the Agency or restraining or enjoining the execution of the Agency Documents, or questioning or affecting directly or indirectly the validity of or the authority for entering into of the Agency Documents, or any proceedings taken by the Agency with respect to the foregoing or the organization, creation, corporate existence or powers of the Agency or the title of any of the present officers to their respective offices, and that none of the proceedings or authority for the execution of the Agency Documents has been repealed, revoked or rescinded.

4. The seal which has been impressed upon this Certificate is the legally adopted, proper and only official corporate seal of the Agency.

5. The Agency has filed with the New York State Comptroller in a timely and complete fashion all submittals required pursuant to Section 859 of the General Municipal Law, and the Agency has received no notices from the New York State Comptroller indicating any noncompliance by the Agency with the provisions of Section 859 of the General Municipal Law.

6. The Agency Documents and any and all other agreements and documents required to be executed and delivered by the Agency in order to carry out, give effect to and consummate the transactions contemplated by the Agency Documents have each been duly authorized, executed and delivered by the Agency, and as of the date of this Certificate each is in full force and effect, and each constitutes the valid, binding and enforceable obligation of the Agency, and the Agency is entitled to the benefits of the same.


7. With respect to the Agency Documents, the undersigned further certifies that the undersigned has made a careful inquiry of each member, officer and employee of the Agency having the power or duty to (a) negotiate, prepare, authorize or approve the Agency Documents, or authorize or approve payment thereunder, (b) audit bills or claims under the Agency Documents, or

(c) appoint an officer or employee who has any of the powers or duties as set forth above, as to whether or not such member, officer or employee has an interest (as defined pursuant to Article 18 of the General Municipal Law) in the Agency Documents, and upon information and belief, as a result of such inquiry, no such member, officer or employee has any such interest in the Agency Documents.

IN WITNESS WHEREOF, the undersigned has hereunto set his official signature and the corporate seal of the Agency this June 17, 2005.

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

[SEAL]

By: 
David W. Kerchoff, Assistant Treasurer

AMENDED AND RESTATED

BY-LAWS

of

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

ARTICLE I

THE AGENCY

Section 1. Name. The name of the Agency shall be "Erie County Industrial Development Agency".

Section 2. Seal of Agency. The seal of the Agency shall be in the form of a circle and shall bear the name of the Agency and the year of its organization.

Section 3. Office of the Agency. The office of the Agency shall be at 275 Oak Street, Buffalo, New York 14203, but the Agency may have other offices at such other places as the Agency from time to time designates by resolution.

Section 4. Members of the Agency. The membership of the Agency shall consist of those individuals designated as members, pursuant to Section 891-a of the General Municipal Law of the State of New York, as the same may be amended from time to time. The members who serve by virtue of their office, either private or public, shall enjoy a term of office on this Agency congruent with the term of office by virtue of which they derive their membership on this Agency.

ARTICLE II

OFFICERS

Section 1. Officers. The Officers of the Agency shall be: a Chair, a Vice-Chair, the President/CEO, the Executive Director, a Secretary, one or more Assistant Secretaries, a Treasurer and one or more Assistant Treasurers. The officers of the Agency shall enjoy a term of office of one (1) year or until their successors are appointed.

Section 2. Chair. The Chair shall be a member of the Agency and preside at all meetings of the Agency and its Executive Committee. The Chair shall have the authority to sign all agreements, contracts, deeds and any other instruments on behalf of the Agency. The Chair shall submit his/her recommendation and such information as he/she shall deem pertinent

concerning the business, affairs, and policies of the Agency at each meeting. In the event of a vacancy on a committee of the Agency, the Chair will designate a successor to fill the unexpired portion of the term, if the number of committee members is specified by these bylaws. In the event of a vacancy on a committee of the Agency, the Chair may designate a successor to fill the unexpired portion of the term, if the number of committee members is not specified by these bylaws. In the event of a vacancy in the chair of a committee of the Agency, the Chair will designate a successor to fill the unexpired portion of the term.

Section 3. Vice-Chair. The Vice-Chair shall be a member of the Agency and perform the duties of the Chair in the absence or incapacity of the Chair. In the event of the resignation or death of the Chair, the Vice-Chair shall become acting Chair and perform the duties of the Chair until such time as the Agency shall appoint a new Chair.

Section 4. President/CEO. The President/CEO shall be the chief executive officer of the Agency. The President/CEO may or may not be a member of the Agency. He/She shall attend all meetings of the Agency and its committees with the right to take part in discussions and to recommend such measures as he/she may deem necessary or expedient, and he/she shall perform such other duties and shall have such other powers as may be prescribed for him/her by law or by the Agency. The President/CEO shall have the authority to sign all agreements, contracts, deeds and any other instruments on behalf of the Agency. The President/CEO shall have all necessary incidental powers to perform and exercise any of the duties and functions as specified above or lawfully delegated to him/her.

Section 5. Executive Director. The Executive Director may or may not be a member of the Agency. He/She shall be the chief operating officer of the Agency, and shall be hired by the Agency for such term of employment as the Agency deems proper. He/She shall exercise supervision and control of all administrative functions of the Agency, including personnel, budgeting, program and policy implementation. He/She shall be responsible to the Agency for the implementation of all resolutions, orders, programs or projects of the Agency. The Executive Director shall have the authority to sign all agreements, contracts, deeds and any other instruments on behalf of the Agency. He/She shall attend all meetings of the Agency and its committees with the right to take part in discussions and to recommend such measures as he/she may deem necessary or expedient, and he/she shall perform such other duties and shall have such other powers as may be prescribed for him/her by law or by the Agency. The Executive Director shall have all necessary incidental powers to perform and exercise any of the duties and functions as specified above or lawfully delegated to him/her.

Section 6. Secretary. The Secretary may or may not be a member of the Agency. He/She shall keep all records of the Agency, shall act as a Secretary at the meetings of the Agency, shall keep a record of all votes thereat. He/She shall record the proceedings of the Agency in a journal of proceedings to be kept for such purpose. He/She shall perform all duties incident to this office. He/She shall have custody of the seal of the Agency, and shall have the power to affix such seal to all contracts and other instruments authorized by the Agency to be executed.

Section 7. Assistant Secretary. The Assistant Secretary may or may not be a member of the Agency. During the absence or disability of the Secretary, the Assistant Secretary, or if there are more than one, the one so designated by the Chair, shall perform the duties of the Secretary. In the event of the resignation or death of the Secretary, the Assistant Secretary, or if there are more than one, the one so designated by the Chair, shall become the Acting Secretary and perform the duties of the Secretary until such time as the Agency shall appoint a new Secretary.

Section 8. Treasurer. The Treasurer may or may not be a member of the Agency. He/She shall have the care and custody of all funds of the Agency and shall deposit all such funds in the name of the Agency in such bank or banks as the Agency may designate. The Treasurer shall sign all instruments of indebtedness, orders, and checks for the payment of money by the Agency pursuant to the direction of the Agency. Except as otherwise authorized by resolution of the Agency, all such instruments of indebtedness, orders and checks shall be countersigned by the Chair, the President/CEO or the Executive Director. The Treasurer shall keep regular books of accounts showing all receipts and expenditures. He/She shall render to the Agency at each regular meeting an account of the financial transactions and the current financial conditions of the Agency. He/She shall give such bond for the faithful performance of his/her duties as the Agency may determine. The Treasurer, as well as the Chair, Vice-Chair, the President/CEO, the Executive Director or the Assistant Treasurer(s), shall also have the power to sign and execute on behalf of the Agency all contracts, agreements, deeds, notes, bonds or other evidence of indebtedness and to affix and attest to the seal of the Agency when it is so authorized by resolution of the Agency. If the Treasurer, notwithstanding anything herein to the contrary, is not a full time employee of the Agency, the aforementioned duties under this section may be delegated to one or more of the Assistant Treasurers by a resolution of the Board.

Section 9. Assistant Treasurer. The Assistant Treasurer may or may not be a member of the Agency. During the absence or disability of the Treasurer, the Assistant Treasurer, or if there are more than one, the one so designated by the Chair, shall perform the duties of the Treasurer. The Assistant Treasurer shall also have the power to sign and execute on behalf of the Agency all contracts, agreements, deeds, notes, bonds or other evidence of indebtedness and to affix and attest to the seal of the Agency when it is so authorized by resolution of the Agency. In the event of the resignation or death of the Treasurer, the Assistant Treasurer, or if there are more than one, the one so designated by the Chair, shall become Acting Treasurer and perform the duties of the Treasurer until such time as the Agency shall appoint a new Treasurer.

Section 10. Additional Duties. The officers of the Agency shall perform such other duties and functions as may from time to time be required by the Agency, by its by-laws, or by its rules and regulations.

Section 11. Appointment of Officers. All officers of the Agency except the first Chair shall be appointed at the annual meeting of the Agency. Officers shall hold office for one (1) year or until their successors are appointed. Should the term of an Agency member expire, or

should the term of employment with the Agency of an officer who is not a member of the Agency expire, his/her term as an officer shall simultaneously expire.

Section 12. Vacancies. Should any office become vacant, the Agency shall appoint a successor at the next regular meeting, and such appointment shall be for the unexpired term of said office.

ARTICLE III

RESERVED

ARTICLE IV

COMMITTEES

Section 1. Executive Committee. There shall be an Executive Committee which shall consist of the President/CEO, the Chair, the Vice-Chair, and three other members of the Agency, designated by the Agency, plus the Mayor of the City of Buffalo and the County Executive of the County of Erie as ex-officio voting members. The Executive Director shall be an ex-officio non-voting member of the Executive Committee, and shall not be counted for quorum purposes. The Executive Committee shall function as a steering committee and shall advise and direct the membership of the Agency in said Agency's accomplishment of its purposes. Four (4) voting members shall constitute a quorum of the Executive Committee. With the exception of the Mayor of the City of Buffalo, the County Executive of the County of Erie, the President/CEO and the Executive Director, the term of office for members of the Executive Committee shall be one (1) year.

Section 2. Nominating Committee. There shall be a nominating committee which shall consist of such members of the Agency selected by the Agency to nominate such candidates as they deem appropriate for the offices of Chair, Vice-Chair, President/CEO, Executive Director, Secretary, Treasurer, the three other members of the Agency to serve upon the Executive Committee, and such members of the Agency to serve upon its Committees. Members of the Nominating Committee shall serve a term of one (1) year.

Section 3. Policy Committee.

(a) The Policy Committee shall be comprised of the following:

(i) Not less than three (3) members of the Agency appointed by the Chair with the consent of the Agency at its annual meeting, who shall serve for terms of one (1)

year, and thereafter until their successors are appointed;

(ii) The Chair; and

(iii) Such other individuals as the Agency may designate, from time to time.

(b) The committee chair for the Policy Committee shall be designated by the Agency.

(c) The Policy Committee shall:

(i) have the power to call for such reports and documentation as it deems necessary to properly monitor the Agency's operation;

(ii) propose to the Executive Committee policy guidelines and policy statements appropriate to the Agency and its mission; and

(iii) perform such other duties as may be delegated to them by the Agency, from time to time.

Section 4. Finance & Audit Committee.

(a) The Finance & Audit Committee shall be comprised of the following:

(i) Not less than three (3) members of the Agency appointed by the Chair with the consent of the Agency at its annual meeting, who shall serve for terms of one (1) year and thereafter until their successors are appointed;

(ii) The Chair; and

(iii) Such other individuals as the Agency may designate from time to time.

(b) The committee chair for the Finance & Audit Committee shall be designated by the Agency.

(c) The Finance & Audit Committee shall be responsible:

(i) To provide assistance to members of the Agency in fulfilling their fiduciary responsibilities relating to accounting, reporting and regulatory compliance practices;

(ii) To maintain, by way of regularly scheduled meetings (at least once prior to the commencement and once after the completion of the annual audit process), a direct

line of communication between the members of the Agency and the Agency's independent accountants and auditors to provide for exchanges of views and information;

(iii) To maintain, as appropriate, a direct line of communication between the members of the Agency and the governmental authorities having audit authority or fiscal oversight of the Agency;

(iv) To approve the budget of the Agency for submission to the Board;
and

(v) To approve and/or direct the transfers of moneys under the budget.

Particularly, and without limiting the generality of the foregoing, the Finance & Audit Committee shall be responsible for recommending to the members of the Agency the level of cash reserves, the level of fund balances, and the appointment of independent accountants and auditors. The Finance & Audit Committee shall report to the members of the Agency on a periodic basis, at least annually, the findings of its independent accountants and auditors. These reports shall include careful consideration of the actions taken by management on the independent accountants' and auditors' suggestions for correcting weaknesses, if any, in the Agency's internal controls, regulatory compliance, organizational structure and operations. These reports may include the adequacy of the audit effort by the Agency's independent accountants and auditors, the financial and regulatory compliance reporting decisions of management, the adequacy of disclosure of information essential to a fair presentation of the financial affairs and regulatory compliance efforts of the Agency, and the organization and quality of the Agency's system of management and internal accounting controls.

Section 5. Special Committees. The Agency at any time, and from time to time, by resolution, may create such special committees as may be deemed desirable, to serve at the pleasure of the Agency, and members of which shall be appointed by the Chair with the consent of the Agency. Such special committees shall have only the lawful powers specifically delegated to them by the Agency.

ARTICLE V

MEETINGS

Section 1. Monthly Meeting. Monthly meetings of the Agency shall be held at such time and place as directed by the Chair. Written notice of each regular meeting of the members shall be given, personally or by mail, not less than ten (10) days nor more than fifty (50) days before the date of the meeting, to each member. One such monthly meeting per year shall be designated by the Agency as its Annual Meeting. The Secretary shall cause to be mailed, not less than ten (10) days nor more than fifty (50) days before the annual meeting, to every member in

good standing, at his or her address as it appears on the membership roll book of the Agency, a notice stating the time and place of the meeting.

Section 2. Special Meeting. The Chair of the Agency may, when he/she deems it desirable, and shall, upon the written request of seven (7) members of the Agency, call a special meeting of the Agency for the purpose of transacting any business designated in the call. The call for a special meeting may be given personally to each member of the Agency or may be mailed to the business or home address of each member of the Agency not less than ten (10) days nor more than fifty (50) days prior to the date of special meeting. Waivers of notice may be signed by any members failing to receive a proper notice. At such special meeting no business shall be considered other than as designated in the call, but if all members of the Agency are present at a special meeting, with or without notice thereof, and are all agreeable thereto, any and all business may be transacted at such special meeting.

Section 3. Executive Sessions. When determined by the Agency that any matter pending before it is confidential in nature, it may, upon its own motion, establish an executive session and exclude non-members from such session, to the extent permitted by applicable law.

Section 4. Quorum. At all meetings of the Agency a majority of the members shall constitute a quorum for the purpose of transacting business; provided that a smaller number may meet and adjourn to some other time when a quorum is obtained. The non-voting members shall not be considered for the purpose of quorum requirements.

Section 5. Order of Business. At the regular meeting of the Agency, the following shall be the order of business:

- a. Roll call.
- b. Reading and approval of the minutes of previous meeting.
- c. Report of the Treasurer.
- d. Reports of Committees.
- e. Unfinished business.
- f. New business.
- g. Adjournment.

Notwithstanding the foregoing, the Chair shall have the authority to vary the order of business, as the need arises. All resolutions shall be in writing and shall be recorded in the journal of the proceedings of the Agency.

Section 6. Manner of Voting. The voting on all questions coming before the Agency shall be by roll call, and yeas and nays shall be entered in the minutes of such meeting, except as in the case of appointments when the vote may be by ballot. Unless otherwise provided for in these Bylaws, any action of the Agency shall require the affirmative vote of a majority of the members of the Agency.

ARTICLE VI

PURPOSES

Section 1. Purposes. Purposes of the Agency are as follows:

a. to integrate and strengthen the planning and promotion of industrial, commercial and economic development in Erie County, on a unified, county-wide basis; and to that end to seek the cooperation and coordinate the operations of public and private organizations to such planning and promotion;

b. to advertise and promote industrial, commercial and economic opportunities in Erie County, and to publicize the advantages of the County;

c. to conduct research into business and industrial conditions in the County, to study the needs and conditions of the County, and to prepare plans or elements of plans relating to the industrial, commercial and economic development of the County or any part of the County;

d. to study, recommend, plan, coordinate, and evaluate projects and programs relating to industrial, commercial, and economic development in Erie County; and

e. to achieve the purposes set forth in Section 858 of the General Municipal Law of the State of New York and in furtherance of those purposes, to execute, as necessary, the powers set forth in Section 858 and Section 891-a(2), of the General Municipal Law of the State of New York.

ARTICLE VII

POLICIES AND PROCEDURES

Section 1. Projects to be considered by this Agency. It is the policy of this Agency that any project shall be considered by it which shall conform to the Laws of the State of New York, Chapter 1030, Article 18-A, and the policy statements of this Agency as enunciated from time to time by resolution of this Agency.

Section 2. Audit of Records and Accounts.

a. The Agency shall annually secure a certified audit of its financial records

and accounts and shall file a copy of such certified audit with the Legislature of the County of Erie within ninety (90) days after the close of the Agency's fiscal year for its proceedings and its activities during the preceding fiscal year. In addition, the Agency shall submit to the Erie County Legislature an uncertified, internally prepared statement of its financial records and account as of the end of the sixth month of the Agency's fiscal year.

b. The Agency may require any other operating statements which it shall determine is required for daily operation.

Section 3. Conveyance of Property. The Agency may insert in a contract for a project that upon the payment in full of all notes, bonds and indebtedness incurred in connection with a project that the Agency will convey the lands, buildings and equipment involved in said project and so paid for to the tenant or operator of the same upon terms set forth in such contract and that the additional consideration for such conveyance may be nominal.

Section 4. The Agency by resolution may adopt such rules, regulations, policies and procedures as it may deem necessary and appropriate to the operation so long as the same shall not be contrary to these by-laws as they may be amended from time to time.

ARTICLE VIII

ETHICAL STANDARDS

Section 1. Disclosure and Abstention. Any member of the Agency who is a director, officer or employee of a corporation which is a party to a proposed contract with the Agency shall disclose his or her relation to such corporation in writing to the Agency and shall abstain from voting and discussion in respect to such contract.

Section 2. The members of the Agency be bound by, and conduct themselves in accordance with, any ethical standards imposed upon members of industrial development agencies generally under the General Municipal Law of the State of New York, as the same may be amended from time to time.

ARTICLE IX

INDEMNIFICATION OF MEMBERS AND OFFICERS

Section 1. Indemnification. Any person made a party to any action, suit or proceeding by reason of the fact that he or she is or was a member or officer of the Agency, or any corporation which he or she served as such at the request of this Agency, shall be

indemnified by this Agency against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him or her in connection with the defense of such action, suit or proceeding or in connection with any appeal therein, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that (i) such member or officer acted in bad faith, (ii) liability resulted from the active and deliberate dishonesty of such individual, or (iii) such individual gained in fact a financial profit or other advantage to which he or she was not legally entitled. Such right of indemnification shall not be exclusive of any other rights to which such member or employee may be entitled to apart from the provisions of this Article.

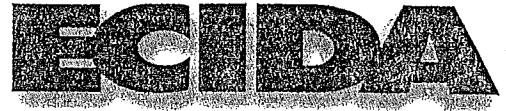
ARTICLE X

AMENDMENTS

Section 1. Amendments to By-Laws. The by-laws of the Agency may be amended with the approval of a majority of all members of the Agency at a regular meeting or a special meeting called for that purpose; but no such amendment shall be adopted unless written notice thereof has been previously given to all members of the Agency, not less than ten (10) nor more than fifty (50) days before the scheduled date of the meeting.

Erie County Industrial
Development Agency
275 Oak Street, Suite 150
Buffalo, New York 14203

phone: 716-856-6525
fax: 716-856-6754
www.ecidany.com
e-mail: info@ecidany.com



MEMORANDUM

TO: **ECIDA Board of Directors**

FROM: Kevin J. Clarke, Chairman

RE: Board of Directors Meeting

DATE: June 1, 2005

This will confirm that a meeting has been scheduled as follows:

DATE: Monday, June 13, 2005
TIME: 10:00 a.m.
PLACE: ECIDA
275 Oak Street
Buffalo, New York 14203

**Please confirm your attendance plans with Pat Rogowski,
ECIDA (856-6525 ext. 132) as soon as possible. Thank you.**

/pr

cc: Robert P. Fine, Esq.
Christopher J. Hurley, Esq.
Laura Monte, Esq.
Diane Church, Esq.

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY PURSUANT TO NEW YORK GENERAL MUNICIPAL LAW §859-a DESCRIBING THE PROJECT AND THE CONTEMPLATED ASSISTANCE WITH RESPECT TO THE APPLICATION OF EPISCOPAL CHURCH HOME & AFFILIATES LIFE CARE COMMUNITY, INC.

WHEREAS, Episcopal Church Home & Affiliates Life Care Community, Inc. (the "Company") has entered into negotiations with officials of the Erie County Industrial Development Agency (the "Agency") with respect to the construction of Lexington Village, which will include 40 dwelling units in single and duplex buildings with a 3,575+/- square foot community building/clubhouse, along with infrastructure improvements, landscaping and the acquisition of machinery and equipment, all for use as a continuing care retirement community project (the "Project") and the lease of the Project to Episcopal Church Home & Affiliates Life Care Community, Inc., for sale/lease to end users, such Project to be located at 600-681 Renaissance Drive, Amherst, New York; and

WHEREAS, the Company has submitted an Eligibility Questionnaire to the Agency to initiate the accomplishment of the above; and

WHEREAS, the Eligibility Questionnaire sets forth certain information with respect to the Company, including the following: that the Company is a not-for-profit corporation exempt from taxation pursuant to IRC §501(c)(3); and that the Company desires Agency financing to construct the Project, all at a cost of approximately \$14,500,000.00.

NOW, THEREFORE, THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY HEREBY RESOLVES AS FOLLOWS:

Section 1. The financial assistance that the Agency is contemplating with respect to the Project is summarized in the Notice of Public Hearing attached to this Resolution and made a

part hereof.

Section 2. Nothing herein shall be construed as giving rise on the part of the Agency any obligation to undertake the Project or as an inducement by the Agency to the Company to proceed with the Project.

Section 3. This Resolution shall take effect immediately.

ADOPTED: June 13, 2005

**NOTICE OF PUBLIC HEARING
PURSUANT TO NEW YORK GENERAL MUNICIPAL LAW §859-a**

PLEASE TAKE NOTICE that the Erie County Industrial Development Agency will conduct a public hearing at the time and place described below with respect to the project described below and the proposal of said Agency to provide financial assistance relative to such project:

DATE: April 8, 2005

TIME: 9:00 a.m.

PLACE: Council Chambers
Amherst Town Hall
5583 Main Street
Williamsville, New York 14221

DESCRIPTION OF PROJECT: Expansion of an existing life care community commonly known as Canterbury Woods. The expansion will consist of the construction of "Lexington Village", which will include 40 dwelling units in single and duplex buildings with a 3,575+/- square foot community building/clubhouse, along with infrastructure improvements, landscaping and the acquisition and installation of personal property in connection therewith.

LOCATION OF PROJECT: 601-681 Renaissance Drive, Amherst, New York. Existing life care community is located at 705 Renaissance Drive, Amherst, New York.

PROJECT OPERATOR: Episcopal Church Home & Affiliates Life Care Community, Inc.

AGENCY ASSISTANCE:

1. Issuance and sale of Industrial Revenue Bonds in the estimated amount of \$14,500,000.00;
2. Sales tax exemption for certain materials and/or equipment purchased for incorporation in the project;
3. Non-standard real property tax benefits with respect to Town of Amherst, Williamsville Central School District and Erie County taxes (details of non-standard real property tax benefits for the project to be provided directly to the affected tax jurisdictions as required by New York State law), along with an adjustment to the non-standard real property tax benefits currently provided for the existing life care

community, all to be determined in accordance with Agency's Uniform Tax Exemption Policy and Guidelines; and

4. Mortgage tax exemption.

PROJECT APPLICATION:

Available for public inspection at the offices of the Erie County Industrial Development Agency, 275 Oak Street, Buffalo, New York 14203, (716) 856-6525 and at the offices of the Town Clerk of the Town of Amherst, Town Hall, 5583 Main Street, Amherst, New York 14221, (716)631-7045, Monday – Friday (Excluding Public Holidays) from 9:00a.m - 4:00p.m. Included with the application is (i) the completed application for a certificate of authority and documentation establishing the life care community council's approval of that application pursuant to Article 46 of the Public Health Law, and (ii) the financial feasibility study and the analysis of economic costs and benefits required by Article 46 of the Public Health Law.

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING THE ACQUISITION, RENOVATION AND CONSTRUCTION OF A FACILITY BY EPISCOPAL CHURCH HOME & AFFILIATES LIFE CARE COMMUNITY, INC. FOR SALE TO THE AGENCY AND SUBSEQUENT LEASE TO EPISCOPAL CHURCH HOME & AFFILIATES LIFE CARE COMMUNITY, INC., THE EXECUTION AND DELIVERY OF A MORTGAGE AGREEMENT, LEASE AGREEMENT (OR AMENDMENT TO LEASE AGREEMENT) AND PILOT AGREEMENT (OR AMENDMENT TO PILOT AGREEMENT), AND THE TAKING OF OTHER ACTIONS.

WHEREAS, Erie County Industrial Development Agency, Buffalo, New York (the "Agency"), is authorized under the laws of the State of New York, and in particular the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Chapter 293 of the 1970 Laws of New York, as amended (collectively, the "Act"), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

WHEREAS, Episcopal Church Home & Affiliates Life Care Community, Inc., for itself or for related individuals or entities (the "Company"), has entered into negotiations with officials of the Agency with respect to the acquisition, renovation and construction by the Agency without the proceeds of a bond issue of a facility for use as a continuing care retirement community (the "Project") and the lease of the Project to the Company, such Project to be located at 601-681 Renaissance Drive, Amherst, New York (the "Premises"); and

WHEREAS, the Project constitutes an expansion of an existing continuing care retirement community consisting of 203 independent residential apartments, 32 enriched housing apartments, 48 skilled nursing facility beds, common areas and related infrastructure, all located at 705 Renaissance Drive, Williamsville, New York, and commonly known as Canterbury Woods, which continuing care retirement community is owned by the Agency and leased to the Company pursuant to a certain Lease Agreement dated as of February 1, 1998, that was entered into in connection with the issuance by the Agency of its \$58,740,000.00 Life Care Community Revenue Bonds (Episcopal Church Home & Affiliates Life Care Community, Inc. Project – Series 1998 A and Series 1998 B); and

WHEREAS, the Company has submitted an Eligibility Questionnaire to the Agency to initiate the accomplishment of the above; and

WHEREAS, the Eligibility Questionnaire sets forth certain information with respect to the Company, including the following: that the Company desires Agency financing for the construction of 40 dwelling units in single and duplex buildings with a 3,575+/- square foot community building/clubhouse, along with infrastructure improvements, landscaping and the acquisition and

installation of personal property in connection therewith, all to be located at 601-681 Renaissance Drive, Amherst, New York, for use as a continuing care retirement community, all at a cost of approximately \$14,500,000.00; that the Company anticipates that up to 40 employees will be employed at the Project at the end of two (2) years of operation thereof; that (i) but for the availability of financing by the Agency, it would not locate the Project within Erie County or New York State, (ii) there will be no substantial adverse disruption of existing employment of facilities of a similar nature in Erie County, and (iii) the Project will retain present employment, provide substantial employment and substantial capital investment; that if Agency financing is disapproved, the Company would likely not proceed with the Project; and that, therefore, Agency financing is necessary to encourage the Company to proceed with the Project in Erie County and in New York State; and

WHEREAS, materials submitted with such Eligibility Questionnaire evidence that the Project (i) has been approved for the issuance of industrial development agency bonds by the Continuing Care Retirement Community Council pursuant to §4604-a of the Public Health Law, and (ii) the Company is a not-for-profit corporation as defined in §102 of the Not-For-Profit Corporation Law that is (a) eligible for tax exempt financing under §4604-a of the Public Health Law and the General Municipal Law, and (b) is exempt from taxation pursuant to §501(c)(3) of the Federal Internal Revenue Code; and

WHEREAS, the Agency has adopted a resolution describing the Project and the financial assistance contemplated by the Agency; and

WHEREAS, after the giving of all required notices (including published notice), the Agency held a public hearing on the Project on April 8, 2005, and has considered all oral and written presentations made at or in connection with said public hearing; and

WHEREAS, the notice of public hearing issued by the Agency with regard to the Project confirmed that included with the Eligibility Questionnaire, and available (along with the Eligibility Questionnaire) for public inspection both at the office of the Agency and the office of the Town Clerk of the Town of Amherst, was (i) the completed Application for a Certificate of Authority, and documentation establishing the Continuing Care Retirement Community Council's approval of that application, pursuant to Article 46 of the Public Health Law, and (ii) the financial feasibility study and the analysis of economic costs and benefits required by Article 46 of the Public Health Law; and

WHEREAS, the Project has received a Certificate of Authorization with regard to the Project pursuant to §4604-a of the Public Health Law, and the Agency further finds, based on the Eligibility Questionnaire, that the Project will serve the public purpose of Article 18-A of the General Municipal Law by preserving permanent, private sector jobs or increasing the overall number of permanent, private sector jobs in New York State; and

WHEREAS, based upon the Eligibility Questionnaire, the Agency hereby determines that its assistance in financing the Project is reasonably necessary to encourage the Company to proceed with the Project; and

WHEREAS, the Agency desires to further encourage the Company with respect to the consummation of the Project, if by doing so it is able to induce the Company to proceed with the Project in Erie County; and

WHEREAS, the Company has requested a payment in lieu of real estate tax arrangement for the Project which deviates from the Agency's Uniform Tax Exemption Policy and, accordingly, the Agency provided written notice of such proposed deviation to each of the affected taxing jurisdictions, and has duly considered any correspondence received from such taxing jurisdictions with regard to the proposed deviation, and has permitted representatives of the taxing jurisdictions to address the Agency prior to the adoption of these resolutions; and

WHEREAS, the Company will finance the costs necessary to complete the Project without requiring the issuance of the Bonds by the Agency (either by using its own funds or obtaining a conventional loan from a third party, or both), and the Company has requested that the Agency take title to the Project and enter into a lease agreement with the Company, and execute any and all documents required by the parties, including any collateral mortgages on the Project given to secure loan(s) obtain by the Company to finance the cost of the Project.

NOW, THEREFORE, THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY HEREBY RESOLVES AS FOLLOWS:

Section 1. The Agency hereby determines that the Project and the provision of financial assistance by the Agency pursuant to the New York State Industrial Development Agency Act will promote and is authorized by and will be in furtherance of the policy of the State as set forth in said Act. The Agency hereby further determines that the Project will serve the public purposes of said Act by increasing the overall number of permanent, private sector jobs in the State.

Section 2. The Agency hereby authorizes the Company to proceed with the Project as herein authorized.

Section 3. The Agency is hereby authorized to acquire title to the Project site and construct a facility thereon, and the execution and delivery of an Agency Lease Agreement between the Agency and the Company (or an amendment to the existing Lease Agreement between the Agency and the Company), a Payment in Lieu of Tax Agreement between the Agency and the Company (or an amendment to the existing Payment in Lieu of Tax Agreement between the Agency and the Company), and such other documents as may be necessary to fulfill the intent of the parties to the transaction, in form satisfactory to Agency counsel, are hereby authorized. Such Payment in Lieu of Tax Agreement (or amendment) shall be consistent with the Notice of Deviation from Uniform Tax Exemption Policy previously issued by the Agency in connection with the Project. The Chair, Vice Chair, President/CEO, Treasurer, Assistant Treasurer, Secretary, Assistant Secretaries or the Executive Director are authorized to make or approve such amendments or modifications to the Agency Lease Agreement (or amendment), the Payment in Lieu of Tax Agreement (or amendment) and such other documents executed and delivered in connection therewith as they deem necessary under the circumstances provided, however, that such modifications do not materially alter the risk to the Agency.

Section 4. The Chair, Vice Chair, President/CEO, Executive Director, Treasurer, Assistant Treasurers, Secretary and Assistant Secretaries and any member of the Agency are hereby designated the authorized representatives of the Agency, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution and to complete the Project in cooperation with the Company.

Section 5. The Company is authorized as agent of the Agency, to initiate the construction of a building and a building addition, and the acquisition of machinery and equipment which will be a part thereof, and to advance such funds as may be necessary to accomplish such purposes.

Section 6. The Agency is hereby authorized to execute and deliver to the lender(s) one or more collateral mortgages on the Project given to secure such loans, and such other documents as may be necessary to fulfill the intent of the parties to the transaction in form satisfactory to Agency counsel provided that the aggregate amount of such mortgages shall not exceed \$14,500,000.00. The Chair, Vice Chair, President/CEO, Treasurer, Assistant Treasurer, Assistant Secretaries, or the Executive Director are authorized to make or approve such amendment or modifications to such collateral mortgages and other documents executed and delivered in connection therewith as they may deem necessary under the circumstances, provided, however, that such modifications do not materially alter the risk to the Agency.

Section 7. Any such action heretofore taken by the Company initiating the acquisition and construction of the Project is hereby ratified, confirmed and approved.

Section 8. Any expenses incurred by the Agency with respect to the Project and the financing thereof shall be paid by the Company. By acceptance hereof, the Company agrees to pay such expenses and further agrees to indemnify the Agency, its members, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency with respect to the Project and the financing thereof.

Section 9. In the event a lease is not executed between the Company and the Agency by the expiration date of this Resolution, the Company shall then be required to pay all sales taxes which would have been levied in connection with the acquisition, construction and installation of all improvements of the real property and the machinery and equipment which constitute the Project, as if the Project had been owned by the Company from the date the Company commenced its acquisition, construction and installation.

Section 10. The Agency has made and makes no representation or warranty whatsoever, either express or implied, with respect to the merchantability, condition, environmental status, fitness, design, operation or workmanship of any part of the Project, its fitness for any particular purpose, the quality or capacity of the materials in the Project, or the suitability of the Project for the Company's purposes or needs. The Company is satisfied that the Project is suitable and fit for its purposes. The Agency shall not be liable in any manner whatsoever to anyone for any loss, damage or expense of any kind or nature caused, directly or indirectly, by the Project property or the use or maintenance thereof or the failure of operation thereof, or the repair, service or adjustment thereof,

or by any delay or failure to provide any such maintenance, repairs, service or adjustment, or by any interruption of service or loss of use thereof or for any loss of business howsoever caused, and the Company hereby indemnifies and holds the Agency harmless from any such loss, damage or expense.

Section 11. Should the appropriate officers of the Agency determine, in their absolute discretion, that there is reason to believe that the activities of any past or present owner or operator of the Premises have resulted in the generation of any "hazardous substance" (as the term has been defined from time to time in any applicable federal or state law, rule or regulation), or that any party has stored, disposed or released any such substance on the Premises or within a one (1) mile radius thereof, the Agency shall be under no obligation to conclude the transactions contemplated by this Resolution.

Section 12. No covenant, stipulation, obligation or agreement herein contained or contained in the Mortgage Agreement, the Lease Agreement, the PILOT Agreement or other documents, nor the breach thereof, shall constitute or give rise to or impose upon the Agency a pecuniary liability or a charge upon its general credit, nor 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.

Section 13. The Town of Amherst (the "Town") is the lead agency with respect to the Project for purposes of the State Environmental Quality Review Act. The Town has considered a draft and final environmental impact statement and a supplemental draft and a supplemental final environmental impact statement with regard to the Project and has made a certain finding statement with respect to the Project, which is attached hereto. The Agency hereby approves the attached findings statement and authorizes the President/CEO/Executive Director to acknowledge the same (if required).

Section 14. The obligation of the Agency to consummate any transaction contemplated herein or hereby is subject to and conditioned upon (a) full compliance by the Company and its principals with the "Erie County Industrial Development Agency Statement of Procedures Regarding Compliance with Environmental Requirements" receipt of which is acknowledged by the Company; and (b) the execution and delivery of an Environmental Compliance and Indemnification Agreement in favor of the Agency in form and substance acceptable by the Agency and its counsel by the Company and some or all of its principals, in the discretion of the appropriate Agency officers.

Section 15. This Resolution shall take effect immediately, and shall expire one (1) year from the date hereof. The provision by the Agency of financial assistance with respect to the Project is subject to the execution and delivery of this Resolution and the Agency's Administrative Fee Agreement (the "Fee Agreement") and payment by the Company of an administrative fee calculated in accordance with the Fee Agreement, all within sixty (60) days of the date of this Resolution. In the event the Agency has not received the executed Resolution and the Fee Agreement and the appropriate fee within such sixty (60) day period, this Resolution shall become automatically null and void and of no further effect and the Agency shall have no liability to the Company hereunder or otherwise.

ADOPTED: June 13, 2005

ACCEPTED: _____, 2005

**EPISCOPAL CHURCH HOME & AFFILIATES
LIFE CARE COMMUNITY, INC.**

By: _____

RECEIVED

SEP 13 2002

Amherst

Town of Amherst Planning Department

Clough, Harbour & Associates LLP

Buffalo, NY Erie County, New York



Susan J. Grelick
Supervisor

Eric W. Gillert, AICP
Planning Director

Gary Black, AICP
Deputy Planning Director

**AMENDED CERTIFICATION OF FINDINGS
CANTERBURY WOODS REZONING
705 RENAISSANCE DRIVE (FORMERLY 690 AYER ROAD)
Z-40-95**

Having considered the Draft, Final, Supplemental Draft and Supplemental Final Environmental Impact Statements, and having considered the preceding written facts and conclusions relied upon to meet the requirements of 6 NYCRR 617, this Statement of Findings certifies that:

1. The requirements of 6 NYCRR Part 617 have been met.
2. Consistent with the social, economic and other essential considerations from among the reasonable alternatives thereto, the action approved is one which minimizes or avoids adverse environmental effects to the maximum extent practicable; including the effects disclosed in the Environmental Impact Statement, and
3. Consistent with social, economic and other essential considerations, to the maximum extent practicable, adverse environmental effects revealed in the Environmental Impact Statement process will be minimized or avoided by incorporating as conditions to the decision those mitigative measures which were identified as practicable.

TOWN OF AMHERST TOWN BOARD

Name of Agency

Signature of Responsible Official

SUSAN J. GRELICK

Name of Responsible Official

TOWN SUPERVISOR

SEPTEMBER 3, 2002

Title of Responsible Official

Date

5583 MAIN STREET, WILLIAMSVILLE, NY 14221

Address of Agency

FINDINGS TO APPROVE CANTERBURY WOODS REZONING

WHEREAS, following the May 2, 1996, submittal of a Draft Environmental Impact Statement (DEIS) prepared by Clough, Harbour & Associates on behalf of the Episcopal Church Home and Affiliates Life Care Community, Inc., the DEIS was accepted by the Town Board on May 6, 1996. The DEIS was submitted for the proposed rezoning and development of 62± acres of land located on the south side of Klein Road between Youngs and Ayer Roads. On May 16, 1996, the Planning Board held a public hearing on the DEIS; the Planning Board recommended approval of the request on June 20, 1996. Subsequently, public hearings on the DEIS and rezoning request were held by the Town Board on August 5, 1996 and August 19, 1996. A Final Environmental Impact Statement (FEIS) was accepted by the Town Board on November 4, 1996, and a Notice of Completion of the FEIS was filed on November 20, 1996. The Town Board on February 3, 1997 issued a Corrected and Restated Certification of Findings Statement for this development.

WHEREAS, following the April 12, 2002 submittal of a Supplemental Draft Environmental Impact Statement (SDEIS) prepared by Clough Harbour and Associates on behalf of the Episcopal Church Home and Affiliates Life Care Community, Inc., the SDEIS was accepted by the Town Board on April 15, 2002. The SDEIS was submitted for proposed changes to the development plan for Phase II of this development which primarily pertains to required building setbacks and distribution of type of units.

On May 16, 2002, the Planning Board held a public hearing on the SDEIS; and recommended approval of the request on the same date. Subsequently, the Town Board on July 1, 2002 held a public hearing on the subject changes. As no substantive comments were received during the public hearings or comment period, the Town Board on August 5, 2002 deemed that the SDEIS be considered the Supplemental Final Environmental Impact Statement (SFEIS) and a notice of completion was filed on August 21, 2002.

WHEREAS; the Planning and Town Boards have considered the content of the DEIS, FEIS, SDEIS and the SFEIS, and all other documents and comments and submissions made during and after the hearings.

NOW THEREFORE THE TOWN BOARD FINDS AND DETERMINES THAT:

1. These Findings set forth specific conditions and criteria consistent with 6 NYCRR Sections 617.9, 617.11, and 617.15 under which the site plan process can proceed. This process provides procedures to supplement the FEIS & SFEIS if necessary and for public notice and opportunity to participate in hearings before the Town Planning Board before it approves a site plan. An Environmental Assessment Form and an Erosion & Sedimentation Control Plan will be required with site plan application for environmental review. If the proposed development does not

conform with these Findings, a supplemental Findings Statement, a supplement to the FEIS, or a Negative Declaration shall be prepared to comply with 6 NYCRR Section 617.15.

2. The proposed residential development as presented in the FEIS is consistent with the intent, objective and specific requirements of the Zoning Ordinance.
3. Adequate services and utilities must be available prior to occupancy. Review and approval of services and utilities by the Town agencies will be required for site plan approval.
4. Development will be consistent with all other applicable laws, rules and regulations.

m- designates specific mitigation

5. **GEOLOGY, TOPOGRAPHY AND SOILS** (DEIS & SDEIS Sec. IV B.)

m – Soil erosion will be minimized during the construction period adherence to the Urban Soil Erosion and Sediment Control Committee's NYS Guidelines for Urban Erosion and Sediment Control. The maximum mitigation measures shall be used to prevent any silt loading into Town ditch #4. Measures to be taken include the following:

m – During construction, as building and road sub-grade are formed by fill, work will proceed as quickly as possible and any slopes will be seeded with quick-germinating rye (10-15 lb. Per 1,000 square feet). During this time, any gullies or washes that should develop are to be filled and the surface regraded to prevent washes in the same location.

m – Temporary drainage swales will be provided with a minimum grade of 1 percent to direct run-off away from the construction site. Swales will be provided with staked and secured hay bale berms combined with a silt fence to prevent downstream siltation. Location of hay bales and discharge areas will be approved by the Town Engineer.

m – Subsurface drainage will be provided when deemed necessary by the project engineer to intercept seepage that would otherwise adversely affect slope stability or create excessively wet site conditions.

m – Site development will be staged to limit disturbed areas.

m – All erosion control measures as deemed necessary by the Town Engineer will be implemented.

- m – All regrading will include the measures above, where applicable.
- m – Mitigation for floor wetness and frost action shall be completed as discussed in the DEIS, Sec. IV B. (p. 22).

6. HYDROLOGY AND DRAINAGE (DEIS & SDEIS Sec. IV. C.)

- m – Implementation of New York State Soil Erosion & Sediment Control measures shall insure that water quality in Town Ditch #4 and #26B will not be negatively impacted. The Engineering Department shall require submittal of a 'typical lot' erosion control plan with the road site plan application and a specific erosion control plan with any subsequent site plan request.
- m – During construction, all construction equipment should be properly maintained to prevent contamination due to spills. During operation, the perched water table will be controlled by drainage. Road salting should be used only as necessary and pesticide applications, if required, applied professionally.
- m – Mitigation for potential pollutants and sediments shall include a properly designed, constructed and maintained storm water system. Catch basins and other storm structures will provide areas for trapping and removal of sediments and pollutants, especially grease and oils. Swales and detention basins will also allow sediments and pollutants to settle out of surface water. Plant materials shall be used in these areas to further act as a water emission cleanser.
- m – Town policy requires that all developments provide facilities adequate to assure disposition of surface water without adverse effect on other property. The Town of Amherst Engineering and Building Departments shall review, approve and monitor proposed drainage plans and the impacts of proposed developments on the entire watershed. The developer will retain a professional engineer to calculate the size locations of all storm water detention areas. All designs and engineering calculations must then be approved by the appropriate town, state or federal agencies having jurisdiction over this project. A network of catch basins and storm lines will discharge into the existing swale. Portions of the swale will be relocated to accommodate the construction of the site improvements. A SPDES Permit for Construction Activities will be obtained prior to construction activities. The town's storm water detention policy shall apply to development proposals for this site.
- m – The Engineering Department and the Fire Chiefs' Council shall review site specific development plans to determine the adequacy of the water supply and the location of fire hydrants for fire protection purposes. A plan for ownership and maintenance of all drainage facilities will be required for site

plan review. Any discharge of storm water into Ransom or Gott Creeks shall require a permit from the NYSDEC.

m – The petitioner shall design, construct and maintain ponded areas in a manner that discourages or eliminates mosquito propagation. The Highway Department's mosquito control operation (DEIS has been approved by the NYSDEC) shall have permission to monitor for mosquito larvae and shall treat the water with larvicide if the situation warrants it.

m – The Highway Department requires that proper pond maintenance, such as mowing and eliminating standing water, be performed. Pond maintenance shall be the sole responsibility of the property owner.

7. VEGETATION & WILDLIFE (DEIS & SDEIS Sec. IV D.)

m – Wherever possible the project will retain or relocate existing trees. A buffer strip of 240± ft. will be provided along the north side and 180± ft. along the west side of the site, for Phase I & IA of this development and for Phase II of this development 140± ft. will be provided along the north side and one of 80± ft. will be placed on the east side of this development. (Amended 9/3/02)

m – A berm 4-6 ft. in height with landscaping, constructed according to the recommendations of the Planning Department, will be put in place along Klein Road prior to any construction on the site.

m – Deciduous trees greater than three inches in caliper and evergreen trees greater than six feet in height will be used for landscaping.

m – Renaissance Drive shall be located to maintain the existing natural buffer strip along the south property line.

8. LAND USE & ZONING (DEIS & SDEIS Sec. V.A.)

The proposal is consistent with Part I, Section 2-1.11 of the Zoning Ordinance which seeks to guide the future development of the Town so as to bring about the gradual conformity of land and building uses in accordance with the objectives of the Comprehensive Plan.

m – Development density on this site shall not exceed the following levels:
Independent living, 295; Enriched housing units, 32; Skilled nursing beds, 75. (Amended 9/3/02)

m – Building height shall not exceed 43 feet for Phase I & IA and 35 feet from finished grade for Phase II of this development. (Amended (9/3/02)

m – Setbacks for principal buildings shall not be less than 219± ft. at Youngs Road, 115± ft. at the north right-of-way line of Renaissance Drive to the nearest principal building and 320± ft. at Klein Road for Phase I & IA of this development, and for Phase II of the development, 100± ft. at Ayer Road, and 160± ft. at Klein Road, and 170± ft. from the south property line to the nearest principal building. (Amended 9/3/02)

9. **FISCAL ANALYSIS** (Sec. V. B. DEIS)

m – The fiscal impact of the project is discussed in Sec. V. B. of the DEIS. That analysis shows that the proposed project will have a beneficial economic impact on the Town.

m – A payment-in-lieu-of-taxes (PILOT) will be negotiated between the Town and the developer.

10. **COMMUNITY SERVICES** (Sec. V. C. DEIS)

m – The Engineering Department and the Fire Chiefs' Council shall review site specific development plans to determine the adequacy of the water supply and the location of fire hydrants for fire protection purposes. A plan for ownership and maintenance of all drainage facilities will be required for site plan review.

m – Water and sewer services will be designed and constructed in accordance with the Erie County Water Authority, Erie County Health Department, NYSDEC, the Town of Amherst and any other agencies having jurisdiction over the project.

m – Building security systems and exterior lighting will be used.

m – The internal site roadways will be constructed and maintained by the project developers.

m – Smoke and fire detection systems and sprinkler systems will be installed. Coordination of site design with Town fire District to provide proper access to all buildings will be required.

m – Private refuse collection will be utilized.

11. **AESTHETICS** (DEIS Sec. V. D. & SDEIS Sec. V. B.)

m – Quality architecture, a design theme and well-maintained grounds as outlined in the DEIS will be required.

12. TRAFFIC (DEIS Sec. V. E.)

- m – The extension of Renaissance Drive from Ayer Road to Youngs Road shall be provided and paid for by the developer. Sidewalks will be required.
- m – Renaissance Drive will align to the west with the unimproved R.O.W. from Bassett Road and to the east with the newly constructed Renaissance Drive between Transit and Ayer Road.
- m – Left turn vehicular storage shall be provided on Renaissance Drive at connection points with both Ayer and Youngs Road.
- m – Vehicular access to Klein Road is prohibited.
- m – The developer shall provide a ten (10) foot wide strip of land at no cost to the Town along the east property line (Ayer Road), and the north property line (Klein Road) to facilitate a future roadway widening improvement.
- m – Supplemental analysis of traffic impacts and mitigation may be required.
- m – Specific requirements for the roadway and intersection design and a determination of the requirements for traffic control devices at proposed intersections with Ayer and Young Roads will be made during site plan review.
- m – The intersection of Maple Road with Youngs Road has been studied in the Town Traffic Study. Implementation of recommended improvements will occur as the Town is able to program and fund them (letter by Town Highway Superintendent dated 7-1-96).
- m – The signal optimization required at the intersection of Maple Road with Ayer Road can be included as an implementation measure of the Town Traffic Study.
- m – The Town Police Department will monitor traffic accident incidence along Klein Road to identify any trends or specific problems.

13. ARCHAEOLOGY (DEIS Sec. V. F. & SDEIS Sec. V. C.)

It has been determined by the NYS Office of Parks, Recreation and Historic Preservation that the project will have not impact on cultural resources eligible for inclusion in the State & National Registers of Historic Places.

A COPY OF THIS AMENDED CERTIFICATION OF FINDINGS
FOR "CANTERBURY WOODS" REZONING, 705 RENAISSANCE DRIVE
(FORMERLY 690 AYER ROAD)
WAS SENT TO:

Erin M. Crotty
NYSDEC, Commissioner
50 Wolf Road
Albany, New York 12233-0001

Steven J. Doleski
NYSDEC Region 9
270 Michigan Avenue
Buffalo, New York 14203-2999

US Army Corps of Engineers
Buffalo District
Regulatory Branch
1776 Niagara Street
Buffalo, NY 14207

Michael J. Krasner
ECDEP
95 Franklin Street
Buffalo, New York 14202

Charles Sickler
ECDPW- Div. Of Highways
95 Franklin Street
Buffalo, New York 14202

John Kociela
Erie County Dept. of Health
95 Franklin Street
Buffalo, NY 14202

Town of Amherst
Town Board
5583 Main Street
Williamsville, New York 14221

Town of Amherst
Planning Board
5583 Main Street
Williamsville, New York 14221

Susan K. Jaros, Amherst Town Clerk
5583 Main Street
Williamsville, New York 14221

E. Thomas Jones, Town Attorney
5583 Main Street
Williamsville, New York 14221

Paul M. Bowers, Town Engineer
1100 North Forest Road
Williamsville, New York 14221

Tom Wik, Highway Superintendent
1042 North Forest Road
Williamsville, NY 14221

Thomas C. Ketchum, Building Commissioner
5583 Main Street
Williamsville, New York 14221

Paul Justin, Traffic/Safety Coordinator
1042 North Forest Road
Williamsville, New York 14221

Eric W. Gillert, Planning Director
5583 Main Street
Williamsville, New York 14221

Peter Mattocks, Chairman
Amherst Conservation Advisory Council
5583 Main Street
Williamsville, New York 14221

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Williamsville, NY 14221

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Eggertsville - Snyder Branch Library
4622 Main Street
Amherst, NY 14226

Mary O'Donnell, Branch Manager
Williamsville Branch Library
5571 Main Street
Williamsville, NY 14221

Episcopal Church Home & Affiliates Life Care
Community, Inc.
24 Rhode Island Street
Buffalo, NY 14213

Renaldo & Myers, PC
Suite 200
350 Essjay Road
Williamsville, NY 14221

Clough, Harbour & Associates LLP
295 Main Street - Suite 900
Buffalo, NY 14203

NOTICE OF PUBLIC HEARING
PURSUANT TO NEW YORK GENERAL MUNICIPAL LAW §859-a

PLEASE TAKE NOTICE that the Erie County Industrial Development Agency will conduct a public hearing at the time and place described below with respect to the project described below and the proposal of said Agency to provide financial assistance relative to such project:

DATE: April 8, 2005

TIME: 9:00 a.m.

PLACE: Council Chambers
Amherst Town Hall
5583 Main Street
Williamsville, New York 14221

DESCRIPTION OF PROJECT: Expansion of an existing life care community commonly known as Canterbury Woods. The expansion will consist of the construction of "Lexington Village", which will include 40 dwelling units in single and duplex buildings with a 3,575+/- square foot community building/clubhouse, along with infrastructure improvements, landscaping and the acquisition and installation of personal property in connection therewith.

LOCATION OF PROJECT: 601-681 Renaissance Drive, Amherst, New York. Existing life care community is located at 705 Renaissance Drive, Amherst, New York.

PROJECT OPERATOR: Episcopal Church Home & Affiliates Life Care Community, Inc.

AGENCY ASSISTANCE:

1. Issuance and sale of Industrial Revenue Bonds in the estimated amount of \$14,500,000.00;
2. Sales tax exemption for certain materials and/or equipment purchased for incorporation in the project;
3. Non-standard real property tax benefits with respect to Town of Amherst, Williamsville Central School District and Erie County taxes (details of non-standard real property tax benefits for the project to be provided directly to the affected tax jurisdictions as required by New York State law), along with an adjustment to the non-standard real property tax benefits currently provided for the existing life care

community, all to be determined in accordance with Agency's Uniform Tax Exemption Policy and Guidelines; and

4. Mortgage tax exemption.

PROJECT APPLICATION:

Available for public inspection at the offices of the Erie County Industrial Development Agency, 275 Oak Street, Buffalo, New York 14203, (716) 856-6525 and at the offices of the Town Clerk of the Town of Amherst, Town Hall, 5583 Main Street, Amherst, New York 14221, (716)631-7045, Monday – Friday (Excluding Public Holidays) from 9:00a.m - 4:00p.m. Included with the application is (i) the completed application for a certificate of authority and documentation establishing the life care community council's approval of that application pursuant to Article 46 of the Public Health Law, and (ii) the financial feasibility study and the analysis of economic costs and benefits required by Article 46 of the Public Health Law.

NEW YORK GENERAL
MUNICIPAL LAW
§859
PLEASE TAKE NOTICE
that the Erie County Industrial Development Agency will conduct a public hearing at the time and place described below with respect to the project described below

and the proposal of said Agency to provide financial assistance relative to such project.

DATE: April 8, 2005

TIME: 9:00 a.m.

PLACE: Council Chambers

Amherst Town Hall

5583 Main Street

Williamsville

New York 14221

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PROJECT OPERATOR:

Episcopal Church Home

Affiliates Life Care Community, Inc.

AGENCY ASSISTANCE:

Issuance and sale of Industrial Revenue Bond

the estimated

certain materials

and/or equipment purchased for incorporation into the Project;

Non-standard real property tax benefits with respect to Town of Amherst, Williamsville Central School District and Erie County taxes (details non-standard real property tax benefits for project to be provided directly to the affected tax jurisdictions as required by New York State law), including an adjustment to the non-standard real property tax benefits currently provided for the existing life care community, all to be determined in accordance with Agency's Uniform Tax Exemption Policy and Guidelines; and

Mortgage tax exemption;

PROJECT APPLICATION:

Available for public inspection at the offices of the Erie County Industrial Development Agency, 275 Oak Street, Buffalo, New York 14203, (716) 856-6525 and at the offices of the Town of Amherst, Town Hall, 5583 Main Street, Amherst, New York 14221, (716) 331-7045, Monday - Friday (excluding public holidays) from 9:00 a.m. to 5:00 p.m. Included with the application is (i) the completed application for certificate of authority and documentation establishing the life care community council's approval of that application pursuant to Article 46 of the Public Health Law, and (ii) the financial feasibility study and the analysis of economic costs and benefits required by Article 46 of the Public Health Law.

Lisa Stephan-Kozlowski

of the City of Buffalo, New York, being duly sworn, deposes and says that he/she is Principal Clerk of THE BUFFALO NEWS, DIV. OF BERKSHIRE HATHAWAY, INC., Publisher of the BUFFALO NEWS, a newspaper published in said city, that the notice of which the annexed printed slip taken from said newspaper is a copy, was inserted and published therein 1 time, the insertion being on the 6th day of March, 2005.

Lisa Stephan-Kozlowski

Date Ad Ran: 3/6/05

Sworn to before me this ^{8th} day
of March, 2005.

Renée Spates
Notary Public, Erie County, New York.

RENEE SPATES
NOTARY PUBLIC, STATE OF NEW YORK
NO. 6028194
CERTIFIED IN ERIE COUNTY
MY COMMISSION EXPIRES 08/07/2007

Erie County Industrial
Development Agency
275 Oak Street, Suite 150
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Williamsville Central School District
105 Casey Road
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March

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Chief Executive Officer
Williamsville Central School District
105 Casey Road
East Amherst, New York 14051-2224

RE: Erie County Industrial Development Agency
2005 Episcopal Church Home & Affiliates Life Care Community, Inc. Project
d/b/a Lexington Village at Canterbury Woods

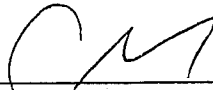
Dear Sir/Madam:

Enclosed pursuant to New York General Municipal Law Section 859-a(3) please find a copy of a notice of public hearing for the above matter.

Please feel free to contact Mr. David W. Kerchoff, ECIDA Deputy Chief Lending Officer, if you have any questions or comments.

Sincerely yours,

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Christopher J. Hurley,
Assistant Secretary

cc Mr. David W. Kerchoff

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Chief Executive Officer
 Williamsville Central School District
 105 Casey Road
 East Amherst, New York 14051-2224

2. Article Number (Copy from service label)

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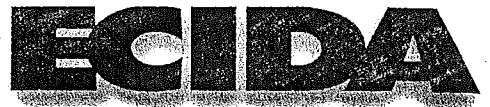
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**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Hon. Joel A. Giambra
Erie County Executive
95 Franklin Street
Buffalo, New York 14202

RE: Erie County Industrial Development Agency
2005 Episcopal Church Home
d/b/a Lexington Village at Canastota

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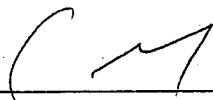
Dear Mr. Giambra:

Enclosed pursuant to New York General Municipal Law Section 859-a(3) please find a copy of a notice of public hearing for the above matter.

Please feel free to contact Mr. David W. Kerchoff, ECIDA Deputy Chief Lending Officer, if you have any questions or comments.

Sincerely yours,

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Christopher J. Hurley,
Assistant Secretary

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 Erie County Executive
 95 Franklin Street
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e-mail: info@ecidany.com

ECIDA

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Hon. Susan Grelick
Supervisor – Town of Amherst
5583 Main Street
Amherst, New York 14221

RE: Erie County Industrial Developme
2005 Episcopal Church Home & Amherst Life Care Community, Inc. Project
d/b/a Lexington Village at Canterbury Woods

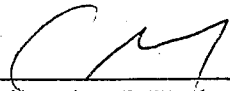
Dear Ms. Grelick:

Enclosed pursuant to New York General Municipal Law Section 859-a(3) please find a copy of a notice of public hearing for the above matter.

Please feel free to contact Mr. David W. Kerchoff, ECIDA Deputy Chief Lending Officer, if you have any questions or comments.

Sincerely yours,

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Christopher J. Hurley,
Assistant Secretary

cc Mr. David W. Kerchoff

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<small>PS Form 3800, June 2002 See Reverse for Instructions</small>	

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1. Article Addressed to:

Hon. Susan Grelick
 Supervisor – Town of Amherst
 5583 Main Street
 Amherst, New York 14221

2. Article Number (Copy from service label)

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C. Signature

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March 9,

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Chief Executive Officer
Williamsville Central School District
105 Casey Road
East Amherst, New York 14051-2224

**CERTIFIED
RETURN RECEIPT**

Chief Executive Officer
Williamsville Central School District
105 Casey Road
East Amherst, New York 14051-2224

RE: Erie County Industrial Development Agency
2005 Episcopal Church Home & Affiliates
d/b/a Lexington Village at Canterbury Woods

Dear Sir/Madam:

Enclosed pursuant to New York General Municipal Law Section 874(4)(c) please find a notice of proposed deviation from ECIDA's uniform tax exemption policy for the referenced project.

ECIDA anticipates considering whether to approve the proposed deviation outlined in the enclosure at its meeting to be held at 10:00 a.m. on April 14, 2005 at 275 Oak Street, Buffalo, New York 14203. Prior to taking final action at such meeting, ECIDA will review and respond to any correspondence received from you regarding the proposed deviation, and a representative of Williamsville Central School District will be permitted to address ECIDA regarding the proposed deviation at the April 14, 2005 meeting.

Please feel free to call Mr. David W. Kerchoff, ECIDA Deputy Chief Lending Officer, or the undersigned, if you have any questions or comments.

Sincerely yours,

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____

Christopher J. Hutley,
Assistant Secretary

CJH:krk
enclosure
cc: Mr. Alfred D. Culliton
Mr. David W. Kerchoff

SENDER: COMPLETE THIS SECTION

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1. Article Addressed to:

Chief Executive Officer
Williamsville Central School District
105 Casey Road
East Amherst, New York 14051-2224

2. Article Number (Copy from service label)

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C. Signature *[Signature]* Agent
 Addressee

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If YES, enter delivery address below: No

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14051*

3. Service Type
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 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

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275 Oak Street, Suite 150
Buffalo, New York 14203

phone: 716-856-6525
fax: 716-856-6754
www.ecidany.com
e-mail: info@ecidany.com

ECIDA

March 9,

Hon. Joel A. Giambra
Erie County Executive
95 Franklin Street
Buffalo, New York 14202

RE: Erie County Industrial Development Agency
2005 Episcopal Church Home & Affiliated
d/b/a Lexington Village at Canterbury Way

Dear Mr. Giambra:

Enclosed pursuant to New York General Municipal Law Section 874(4)(c) please find a notice of proposed deviation from ECIDA's uniform tax exemption policy for the referenced project.

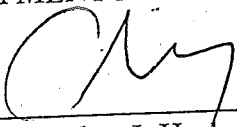
ECIDA anticipates considering whether to approve the proposed deviation outlined in the enclosure at its meeting to be held at 10:00 a.m. on April 14, 2005 at 275 Oak Street, Buffalo, New York 14203. Prior to taking final action at such meeting, ECIDA will review and respond to any correspondence received from you regarding the proposed deviation, and a representative of Erie County will be permitted to address ECIDA regarding the proposed deviation at the April 14, 2005 meeting.

Please feel free to call Mr. David W. Kerchoff, ECIDA Deputy Chief Lending Officer, or the undersigned, if you have any questions or comments.

Sincerely yours,

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____


Christopher J. Hurley,
Assistant Secretary

cc

Mr. Alfred D. Culliton
Mr. David W. Kerchoff
Laurence K. Rubin, Esq.
John A. Pappano, Esq.

Officers and Board of Directors • Kevin J. Clarke, Chairman of the Board • Robert P. Fine, Secretary • James F. Doherty • David A. Franczyk
• Dennis H. Gabryszak • Joel A. Giambra • Susan J. Grelick • Marsha S. Henderson • George A. Holt Jr. • Mark Jones • Alfred F. Luhr III • Anthony M. Masiello
• Susan A. McCartney • Lawrence M. Meckler • Frank B. Mesiah • Ronald H. Moline • Andrew J. Rudnick • Fred B. Saia • Jack Semler • Timothy M. Wroblewski

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Erie County Executive
95 Franklin Street
Buffalo, New York 14202

PS Form 3800, June 2002 See Reverse for Instructions

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2. Article Number (Copy from service label)

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Hon. Joel A. Giambra
Erie County Executive
95 Franklin Street
Buffalo, New York 14202

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4. Restricted Delivery? (Extra Fee) Yes No

Erie County Industrial
Development Agency
275 Oak Street, Suite 150
Buffalo, New York 14203

phone: 716-856-6525
fax: 716-856-6754
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e-mail: info@ecidany.com

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Hon. Susan Grelick
Supervisor – Town of Amherst
5583 Main Street
Amherst, New York 14221

PS Form 3800, June 2002 See Reverse for Instructions

5811 5815 0000 0550 4007

Hon. Susan Grelick
Supervisor – Town of Amherst
5583 Main Street
Amherst, New York 14221

RE: Erie County Industrial Development
2005 Episcopal Church Home & Ad
d/b/a Lexington Village at Canterbury

Dear Ms. Grelick:

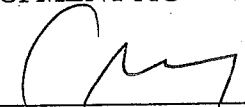
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Sincerely yours,

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Christopher J. Hurley,
Assistant Secretary

CJH:krk
enclosure
cc: Mr. Alfred D. Culliton
Mr. David W. Kerchoff

SENDER: COMPLETE THIS SECTION

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1. Article Addressed to:

Hon. Susan Grelick
Supervisor - Town of Amherst
5583 Main Street
Amherst, New York 14221

2. Article Number (Copy from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery
3-10-05

C. Signature Agent
 Addressee

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

7004 0550 0000 3185 1195

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

**NOTICE OF DEVIATION FROM UNIFORM TAX EXEMPTION POLICY
PURSUANT TO GENERAL MUNICIPAL LAW §874(4)(c)**

DESCRIPTION OF PROJECT:

Expansion of an existing life care community commonly known as Canterbury Woods. The expansion will consist of the construction of "Lexington Village", which will include 40 dwelling units in single and duplex buildings with a 3,575+/- square foot community building/clubhouse, along with infrastructure improvements, landscaping and the acquisition and installation of personal property in connection therewith.

LOCATION OF PROJECT:

601-681 Renaissance Drive, Amherst, New York (Lexington Village)/705 Renaissance Drive, Amherst, New York (Existing Project)

PROJECT OPERATOR:

Episcopal Church Home & Affiliates Life Care Community, Inc.

DEVIATION FROM UNIFORM
TAX EXEMPTION POLICY:

A 30-year real property tax abatement schedule for the original Phase 1 and Phase 1-A of Canterbury Woods was previously approved. The Project Operator has not constructed Phase 1-A of the project, which was to consist of 48 independent living units. The original payment amounts were based upon 283 residential units being constructed as part of Phase I and Phase 1-A of project when, in fact, only 235 units have actually been constructed. It is proposed that the scheduled payments be revised due to Phase 1-A of the project not being constructed, with the proposed reduction more particularly described in the letter dated February 17, 2005 from Harry E. Williams, Town of Amherst Assessor, which is attached hereto as Schedule A. Should Phase 1-A of the project be constructed at a later date, the previously approved tax abatement schedule will be reimposed.

A 30-year payment schedule for Lexington Village, which would provide for additional payments to the taxing jurisdictions, is also proposed. The proposed 30-year schedule for Lexington Village is more particularly described in the letter dated February 17,

2005 from Harry E. Williams, Town of Amherst Assessor, which is attached hereto as Schedule A.

The overall aggregate payments in lieu of real estate taxes will increase as a result of the contemplated amendment.

REASON FOR DEVIATION:

To provide for cost certainty with regard to Lexington Village while providing for payments which approximate full taxes, and to provide an equitable reduction to the payment schedule for the existing project to reflect fixed payments which approximate full taxes on the improvements actually constructed.

SCHEDULE A



TOWN OF AMHERST

ERIE COUNTY, NEW YORK

5583 MAIN STREET
WILLIAMSVILLE, NEW YORK 14221

FAX: 716-631-7144

HARRY E. WILLIAMS
Assessor
716-631-7038

Erie County Industrial Development Agency
275 Oak Street
Buffalo, New York 14203
Attention: Alfred Culliton

February 17, 2005

Re: Canterbury Woods PILOT Schedules
Phase I and Phase II
Town of Amherst, New York

Dear Mr. Culliton:

I have met with representatives of Canterbury Woods regarding construction of their next phase (Phase II) to be known as Lexington Village. The Development will take place on a 17.61-acre parcel address as 601-681 Renaissance Drive. The section, block and lot number for the property is 56.11-8-1. /A.

The development will involve the construction of forty dwelling units in single and duplex buildings, along with a 3,575 square foot community building. The full assessment of this project upon completion will be \$5,400,000 of which \$875,000 will be attributed to the land value. Year 1 of the PILOT (2005) will be based on a land only assessment. Year 2 will be based on 50% of the full assessment and Year 3 will be based on the full assessment. The PILOT payments will be increased 3% per year throughout the 30-year life of the PILOT. I have reviewed the payment schedule for Phase II that calls for a total of \$9,095,675 over the 30-year life of the PILOT and this appears to be acceptable as stated.

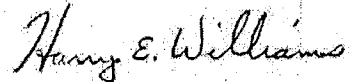
Upon request I have reviewed the original Phase I Canterbury Woods PILOT that began in 1998. The 30-year tax payment schedule that I reviewed and approved at that time, proposed the construction of 283 residential units but only 235 units were actually constructed during Phase I. The Essex portion of the development comprising of 48 units was never built. My review indicates that from the first year of full taxation that was the year 2000 through the current tax year of 2004, Canterbury Woods the lessee has been overpaying their real estate taxes by 18% per year or a total of approximately \$557,460.

The attached Canterbury Woods Amended PILOT for phase I, proposed to be in effect as of May 1st 2005, calls for the correction of the tax payment schedule going forward by removing the portion of Phase I PILOT that was never built. The schedule also provides a credit over the next six years for the over payment of taxes during the past

six years. I have reviewed the schedule and the supporting calculations and they are correct and accurate. If an adjustment is being considered the proposed schedule is fair, equitable and I would support the change.

If you have any questions please feel free to contact me.

Very truly yours,

A handwritten signature in cursive script that reads "Harry E. Williams".

Harry E. Williams,
Amherst Assessor

CANTERBURY WOODS AMENDED PHASE I PILOT

Effective May 1st, 2005

* Removes phase 1a (18%) starting 2006
 (if phase 1a is constructed, revert to original numbers)
 ** credits overpayment from previous six years over next six years
 (Town: \$14,456/yr; County: \$23,815/yr; School: \$54,639/yr)

Year	Fiscal Yr.	Town	County	School	Total
8**	2005/2006	\$58,482	\$96,345	\$221,052	\$375,879
9**	2006/2007	\$60,670	\$99,950	\$229,323	\$389,943
10**	2007/2008	\$62,924	\$103,663	\$237,842	\$404,429
11**	2008/2009	\$65,245	\$107,487	\$246,617	\$419,349
12**	2009/2010	\$67,636	\$111,426	\$255,654	\$434,716
13**	2010/2011	\$70,099	\$115,483	\$264,963	\$450,545
14	2011/2012	\$87,091	\$143,477	\$329,190	\$559,758
15	2012/2013	\$89,704	\$147,781	\$339,066	\$576,551
16	2013/2014	\$92,395	\$152,215	\$349,238	\$593,847
17	2014/2015	\$95,167	\$156,781	\$359,715	\$611,663
18	2015/2016	\$98,022	\$161,485	\$370,506	\$630,013
19	2016/2017	\$100,962	\$166,329	\$381,621	\$648,913
20	2017/2018	\$103,991	\$171,319	\$393,070	\$668,380
21	2018/2019	\$107,111	\$176,459	\$404,862	\$688,432
22	2019/2020	\$110,324	\$181,752	\$417,008	\$709,085
23	2020/2021	\$113,634	\$187,205	\$429,518	\$730,357
24	2021/2022	\$117,043	\$192,821	\$442,404	\$752,268
25	2022/2023	\$120,554	\$198,606	\$455,676	\$774,836
26	2023/2024	\$124,171	\$204,564	\$469,346	\$798,081
27	2024/2025	\$127,896	\$210,701	\$483,427	\$822,023
28	2025/2026	\$131,733	\$217,022	\$497,929	\$846,684
29	2026/2027	\$135,685	\$223,532	\$512,867	\$872,085
30	2027/2028	\$139,755	\$230,238	\$528,253	\$898,247
TOTALS		\$2,280,294	\$3,756,641	\$8,619,148	\$14,656,084

**LEXINGTON VILLAGE AT CANTERBURY WOODS
PROPOSED PHASE II PILOT SCHEDULE**

Year	Calndr Yr.	Town	County	School	Total
1	2005/2006	\$4,909	\$9,004	\$17,973	\$31,886
2	2006/2007	\$15,606	\$28,620	\$57,132	\$101,358
3	2007/2008	\$32,130	\$58,968	\$117,666	\$208,764
4	2008/2009	\$33,094	\$60,737	\$121,196	\$215,027
5	2009/2010	\$34,087	\$62,559	\$124,832	\$221,478
6	2010/2011	\$35,109	\$64,436	\$128,577	\$228,122
7	2011/2012	\$36,163	\$66,369	\$132,434	\$234,966
8	2012/2013	\$37,247	\$68,360	\$136,407	\$242,015
9	2013/2014	\$38,365	\$70,411	\$140,499	\$249,275
10	2014/2015	\$39,516	\$72,523	\$144,714	\$256,753
11	2015/2016	\$40,701	\$74,699	\$149,056	\$264,456
12	2016/2017	\$41,922	\$76,940	\$153,527	\$272,390
13	2017/2018	\$43,180	\$79,248	\$158,133	\$280,561
14	2018/2019	\$44,475	\$81,626	\$162,877	\$288,978
15	2019/2020	\$45,810	\$84,074	\$167,764	\$297,648
16	2020/2021	\$47,184	\$86,596	\$172,796	\$306,577
17	2021/2022	\$48,600	\$89,194	\$177,980	\$315,774
18	2022/2023	\$50,057	\$91,870	\$183,320	\$325,248
19	2023/2024	\$51,559	\$94,626	\$188,819	\$335,005
20	2024/2025	\$53,106	\$97,465	\$194,484	\$345,055
21	2025/2026	\$54,699	\$100,389	\$200,318	\$355,407
22	2026/2027	\$56,340	\$103,401	\$206,328	\$366,069
23	2027/2028	\$58,030	\$106,503	\$212,518	\$377,051
24	2028/2029	\$59,771	\$109,698	\$218,893	\$388,363
25	2029/2030	\$61,564	\$112,989	\$225,460	\$400,013
26	2030/2031	\$63,411	\$116,378	\$232,224	\$412,014
27	2031/2032	\$65,314	\$119,870	\$239,191	\$424,374
28	2032/2033	\$67,273	\$123,466	\$246,366	\$437,105
29	2033/2034	\$69,291	\$127,170	\$253,757	\$450,219
30	2034/2035	\$71,370	\$130,985	\$261,370	\$463,725
TOTALS		\$1,399,886	\$2,569,175	\$5,126,615	\$9,095,675



March 9, 2005

Mr. Christopher Hurley
Erie County Industrial Development Agency
275 Oak Street Suite 150
Buffalo, NY 14203

Dear Mr. Hurley:

On March 7, 2005 the Williamsville Central School District received a letter via certified mail addressing the new Episcopal Church Home proposal regarding their intent to expand their Canterbury Woods community.

It was stated in your letter that this project is seeking financial assistance from the Erie County Industrial Development Agency (ECIDA). As part of the financial assistance package there are plans for a non-standard real property tax schedule. As is customary in an agreement such as this, the non-standard tax schedule replaces regular property tax payments that are due the Williamsville Central School District. In consideration of the potential revenue adjustments I am requesting that the ECIDA actively involve the Williamsville Central School District in the development of this financial assistance agreement.

Please direct future communications regarding this topic to my attention.

Sincerely,

Thomas R. Maturski
Assistant Superintendent of Finance
& Management Services

MAR 10 2005



HURWITZ & FINE, P.C.
ATTORNEYS AT LAW

Christopher J. Hurley
cjh@hurwitzfine.com

March 10, 2005

Mr. Thomas R. Matuski,
Assistant Superintendent of Finance & Management Services
Williamsville Central School District
105 Casey Road
P.O. Box 5000
East Amherst, NY 14051-5000

RE: Erie County Industrial Development Agency
2005 Episcopal Church Home & Affiliates Life Care Community, Inc. Project
d/b/a Lexington Village at Canterbury Woods
Our File No. 20042527

Dear Mr. Matuski:

Thank you for your March 9, 2005 letter with regard to the above matter.

I am attaching a copy of my letter of even date to the Williamsville Central School District outlining the proposed non-standard payment in lieu of tax schedule for the above matter. I have also forwarded a copy of your March 9, 2005 letter to ECIDA personnel and to representatives of the project sponsor, and I am sure that they will contact you directly in order to discuss this matter further.

I have also noted for my file to forward future communications directly to your attention.

HURWITZ & FINE, P.C.

March 10, 2005

Page 2

Thank you.

Sincerely yours,

HURWITZ & FINE, P.C.


Christopher J. Hurley

CJH:krk
attachment

cc (via e-mail; w/March 9, 2005 Matuski letter attached)
Mr. Alfred D. Culliton
Mr. David W. Kerchoff
John A. Pappano, Esq.

**Erie County Industrial
Development Agency**

275 Oak Street, Suite 150
Buffalo, New York 14203

phone: 716-856-6525
fax: 716-856-6754
www.ecidany.com
e-mail: info@ecidany.com

ECIDA

March 10, 2005

Chief Executive Officer
Williamsville Central School District
105 Casey Road
East Amherst, New York 14051-2224

RE: Erie County Industrial Development Agency
2005 Episcopal Church Home & Affiliates
d/b/a Lexington Village at Canterbury

Dear Sir/Madam:

Reference is made to my March 9, 2005 letter, a copy of which is attached.


ECIDA's April, 2005 Board meeting will be held on Monday, April 11, 2005, and not on April 14, 2005, as erroneously set forth in the attached letter. Therefore, prior to taking final action at ECIDA's April 11, 2005 meeting, ECIDA will review and respond to any correspondence received from you regarding the proposed deviation from uniform tax exemption policy for the above-referenced project, and a representative of the Williamsville Central School District will be permitted to address ECIDA regarding the proposed deviation at the April 11, 2005 meeting.

I apologize for any confusion caused by my earlier letter.

Please feel free to call Mr. David W. Kerchoff, ECIDA Deputy Chief Lending Officer, or the undersigned, if you have any questions or comments.

Sincerely yours,

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Christopher J. Hurley,
Assistant Secretary

CJH:krk
attachment

cc: Mr. Alfred D. Culliton
Mr. David W. Kerchoff

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1. Article Addressed to: Chief Executive Officer Williamsville Central School District 105 Casey Road East Amherst, New York 14051-2224	B. Received by (Printed Name) <i>Jeffery K. [Signature]</i>	C. Date of Delivery <i>3-11-08</i>
2. Article Number (Transfer from service label)	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
PS Form 3811, February 2004	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
Domestic Return Receipt	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
	7004 0550 0000 3185 1140	
	102595-02-M-1540	

**Erie County Industrial
Development Agency**

275 Oak Street, Suite 150
Buffalo, New York 14203

phone: 716-856-6525
fax: 716-856-6754
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CERTI
RETUR

March 1

Hon. Joel A. Giambra
Erie County Executive
95 Franklin Street
Buffalo, New York 14202

RE: Erie County Industrial Development Agency
2005 Episcopal Church Home & Affiliates
d/b/a Lexington Village at Canterbury

Hon. Joel A. Giambra
Erie County Executive
95 Franklin Street
Buffalo, New York 14202

Dear Mr. Giambra:

PS Form 3800, June 2002

See Reverse for Instructions

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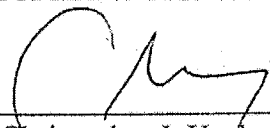
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Sincerely yours,

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____


Christopher J. Hurley,
Assistant Secretary

cc Mr. Alfred D. Culliton
Mr. David W. Kerchoff
Laurence K. Rubin, Esq. (via e-mail and regular mail)
John A. Pappano, Esq. (via e-mail)

Officers and Board of Directors • Kevin J. Clark, Chairman of the Board • Robert P. Fine, Secretary • James F. Doherty • David A. Franczyk
• Dennis H. Gabryszak • Joel A. Giambra • Susan J. Grelick • Marsha S. Henderson • George A. Holt Jr. • Mark Jones • Alfred F. Luhr III • Anthony M. Masiello
• Susan A. McCartney • Lawrence M. Meckler • Frank B. Mesiah • Ronald H. Moline • Andrew J. Rudnick • Fred B. Saia • Jack Semler • Timothy M. Wroblewski

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Hon. Joel A. Giambra
Erie County Executive
95 Franklin Street
Buffalo, New York 14202

2. Article Number
(Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Danielle Williams Addressee

B. Received by (Printed Name) Date of Delivery
Candice Williams *3/1/05*

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

7004 0550 0000 3185 1157

**Erie County Industrial
Development Agency**

275 Oak Street, Suite 150
Buffalo, New York 14203

phone: 716-856-6525
fax: 716-856-6754
www.ecidany.com
e-mail: info@ecidany.com



March 10, 2005

Hon. Susan Grelick
Supervisor – Town of Amherst
5583 Main Street
Amherst, New York 14221

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

RE: Erie County Industrial Development Agency
2005 Episcopal Church Home & Affiliates Life Care Community, Inc. Project
d/b/a Lexington Village at Canterbury Woods

Dear Ms. Grelick:

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Sincerely yours,

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____


Christopher J. Hurley,
Assistant Secretary

CJH:krk
attachment

cc: Mr. Alfred D. Culliton
Mr. David W. Kerchoff

PS Form 3811, February 2004
(Transfer from service label)
Domestic Return Receipt

102595-02-M-1540

2. Article Number
7004 0550 0000 3185 1264

1. Article Addressed to:
Hon. Susan Grelick
Supervisor - Town of Amherst
5583 Main Street
Amherst, New York 14221

3. Service Type
 Certified Mail
 Registered Mail
 Insured Mail
 Restricted Delivery (Extra Fee)
 Yes
 No

4. Return Receipt for Merchandise
 Express Mail
 Return Receipt for Merchandise
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D. If YES, enter delivery address below:
 Yes
 No
 LISA L. P. M...
 3-11-08

B. Received by (Printed Name)
LISA L. P. M...

C. Date of Delivery
3-11-08

A. Signature
[Signature]

COMPLETE THIS SECTION ON DELIVERY

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Hon. Susan Grelick
 Supervisor - Town of Amherst
 5583 Main Street
 Amherst, New York 14221

PS Form 3800, June 2002 See Reverse for Instructions

4911 587E 0000 0550 4002

Erie County Industrial
Development Agency
275 Oak Street, Suite 150
Buffalo, New York 14203

phone: 716-856-6525
fax: 716-856-6754
www.ecidany.com
e-mail: info@ecidany.com

ECIDA

April 8, 2005

Chief Executive Officer
Williamsville Central School District
105 Casey Road
East Amherst, New York 14051-2224

**Certified Mail
Return Receipt Requested
and Via Telecopy**

RE: Erie County Industrial Development Agency
2005 Episcopal Church Home & Affiliates
Life Care Community, Inc. Project d/b/a
Lexington Village at Canterbury Woods

Dear Sir/Madam:

Previously we forwarded a Notice of Proposed Deviation from ECIDA's Uniform Tax Exemption Policy for the above-referenced project to your attention (copy enclosed).


Originally, ECIDA anticipated considering whether to approve the proposed deviation at its meeting to be held on April 11, 2005. ECIDA now anticipates considering whether to approve the proposed deviation at its meeting to be held at 10:00 a.m. on May 9, 2005 at 275 Oak Street, Buffalo, New York 14203. Prior to taking final action at such meeting, ECIDA will review and respond to any correspondence received from you regarding the proposed deviation, and a representative of the Williamsville Central School District will be permitted to address ECIDA regarding the proposed deviation at the May 9, 2005 meeting.

Please feel free to call Mr. David W. Kerchoff, ECIDA Deputy Chief Lending Officer, or the undersigned, if you have any questions or comments.

Sincerely yours,

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____


Christopher J. Hurley,
Assistant Secretary

CJH:krk
enclosure

cc: Mr. Alfred D. Culliton
Mr. David W. Kerchoff
Mr. Thomas R. Maturski (via telecopy and regular mail)
John A. Pappano, Esq.

Officers and Board of Directors • Kevin J. Clarke, Chairman of the Board • Robert P. Fine, Secretary • James F. Doherty • David A. Franczyk
• Dennis H. Gabryszak • Joel A. Giambra • Susan J. Grelick • Marsha S. Henderson • George A. Holt Jr. • Mark Jones • Alfred F. Luhr III • Anthony M. Masiello
• Susan A. McCartney • Lawrence M. Meckler • Frank B. Mesiah • Ronald H. Moline • Andrew J. Rudnick • Fred R. Sale • Jack Sawyer • Timothy M. Washburn

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Chief Executive Officer
 Williamsville Central School District
 105 Casey Road
 East Amherst, New York 14051-2224

PS Form 3800, June 2002

See Reverse for Instructions

0696 9914 5000 0030 2002

PS Form 3811, August 2001
 (Transfer from service label)

2. Article Number
 7002 2030 0005 4188 9890

Domestic Return Receipt
 102595-01-M-2509

1. Article Addressed to
 Chief Executive Officer
 Williamsville Central School District
 105 Casey Road
 East Amherst, New York 14051-2224

3. Service Type
 Certified Mail
 Registered
 Insured Mail
 C.O.D.
 Express Mail
 Return Receipt for Merchandise

4. Restricted Delivery? (Extra Fee)
 Yes
 No

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

B. Received by (Printed Name)
 X *[Signature]*
 Addressee
 Agent

C. Date of Delivery

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SENDER, COMPLETE THIS SECTION

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

Erie County Industrial
Development Agency
275 Oak Street, Suite 150
Buffalo, New York 14203

phone: 716-856-6525
fax: 716-856-6754
www.ecidany.com
e-mail: info@ecidany.com



April 8, 2005

Hon. Susan Grelick
Supervisor – Town of Amherst
5583 Main Street
Amherst, New York 14221

**Certified Mail
Return Receipt Requested
and Via Telecopy**

RE: Erie County Industrial Development Agency
2005 Episcopal Church Home & Affiliates
Life Care Community, Inc. Project d/b/a
Lexington Village at Canterbury Woods

Dear Ms. Grelick:

Previously we forwarded a Notice of Proposed Deviation from ECIDA's Uniform Tax Exemption Policy for the above-referenced project to your attention (copy enclosed).

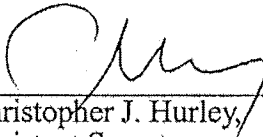
Originally, ECIDA anticipated considering whether to approve the proposed deviation at its meeting to be held on April 11, 2005. ECIDA now anticipates considering whether to approve the proposed deviation at its meeting to be held at 10:00 a.m. on May 9, 2005 at 275 Oak Street, Buffalo, New York 14203. Prior to taking final action at such meeting, ECIDA will review and respond to any correspondence received from you regarding the proposed deviation, and a representative of the Town of Amherst will be permitted to address ECIDA regarding the proposed deviation at the May 9, 2005 meeting.

Please feel free to call Mr. David W. Kerchoff, ECIDA Deputy Chief Lending Officer, or the undersigned, if you have any questions or comments.

Sincerely yours,

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____


Christopher J. Hurley,
Assistant Secretary

CJH:krk
enclosure

cc: Mr. Alfred D. Culliton
Mr. David W. Kerchoff
John A. Pappano, Esq.

2. Article Number (Transfer from service label) 7002 2030 0005 4188 9906

3. Service Type
 Certified Mail
 Registered
 Insured Mail
 G.O.D.
 Express Mail
 Return Receipt for Merchandise

4. Restricted Delivery? (Extra Fee)
 Yes
 No

1. Article Addressed to:
 Hon. Susan Grelick
 Supervisor - Town of Amherst
 5583 Main Street
 Amherst, New York 14221

2. Article Addressed to:
 Attach this card to the back of the mailpiece, or on the front if space permits.
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 Print your name and address on the reverse.
 Print your name and address on the reverse so that we can return the card to you.
 Attach this card to the back of the mailpiece.

COMPLETE THIS SECTION ON DELIVERY

A. Signature *[Signature]*
 B. Received by (Printed Name)
 C. Date of Delivery 4/11/02
 Addressee
 Agent

D. Is delivery address different from item 1? Yes No
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Hon. Susan Grelick
 Supervisor - Town of Amherst
 5583 Main Street
 Amherst, New York 14221

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Erie County Industrial
Development Agency
275 Oak Street, Suite 150
Buffalo, New York 14203

phone: 716-856-6525
fax: 716-856-6754
www.ecidany.com
e-mail: info@ecidany.com

ECIDA

April 8, 2005

Hon. Joel A. Giambra
Erie County Executive
95 Franklin Street
Buffalo, New York 14202

**Certified Mail
Return Receipt Requested
and Via Telecopy**

RE: Erie County Industrial Development Agency
2005 Episcopal Church Home & Affiliates
Life Care Community, Inc. Project d/b/a
Lexington Village at Canterbury Woods

Dear Mr. Giambra:

Previously we forwarded a Notice of Proposed Deviation from ECIDA's Uniform Tax Exemption Policy for the above-referenced project to your attention (copy enclosed).


Originally, ECIDA anticipated considering whether to approve the proposed deviation at its meeting to be held on April 11, 2005. ECIDA now anticipates considering whether to approve the proposed deviation at its meeting to be held at 10:00 a.m. on May 9, 2005 at 275 Oak Street, Buffalo, New York 14203. Prior to taking final action at such meeting, ECIDA will review and respond to any correspondence received from you regarding the proposed deviation, and a representative of Erie County will be permitted to address ECIDA regarding the proposed deviation at the May 9, 2005 meeting.

Please feel free to call Mr. David W. Kerchoff, ECIDA Deputy Chief Lending Officer, or the undersigned, if you have any questions or comments.

Sincerely yours,


ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____


Christopher J. Hurley,
Assistant Secretary

CJH:krk
enclosure

cc: Mr. Alfred D. Culliton
Mr. David W. Kerchoff
Laurence K. Rubin, Esq.
John A. Pappano, Esq.

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <i>X Mindy Czeczowski</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Mindy Czeczowski</i></p> <p>G. Date of Delivery <i>8/11/05</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p>Hon. Joel A. Giambra Erie County Executive 95 Franklin Street Buffalo, New York 14202</p>	<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label)</p>	<p>7002 2030 0005 4188 9913</p>
<p>PS Form 3811, August 2002 20243 Domestic Return Receipt  12593-01-11-2509</p>	

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Hon. Joel A. Giambra
 Erie County Executive
 95 Franklin Street
 Buffalo, New York 14202

See Reverse for Instructions

PS Form 3800, June 2002

7002 2030 0005 4188 9913



April 28, 2005

Mr. David W. Kerchoff
ECIDA
275 Oak Street Suite 150
Buffalo, NY 14203

Re: Canterbury Woods

Dear Mr. Kerchoff:

This letter is in response to information received from Mr. Hurley concerning the proposed ECIDA Payment In Lieu of Tax (PILOT) revised agreement for Episcopal Church Home's Canterbury Woods development. I am directing this letter to you because you were the contact person that was presented to the District in the above letter concerning this PILOT agreement. I would appreciate your response to the three questions, which will assist in our understanding and decision relative to our concurrence with this proposal.

Upon review of the revised agreement I am requesting clarification on several of the methodologies and calculations that are the basis for the new schedule. First, it was stated that the underlying reason for the revisions is due to the fact that the actual construction at Canterbury Woods complex resulted in 18% fewer units built than planned for in the agreement. A simplistic calculation of 18% of the total original PILOT payment schedule would result in a reduction amount of \$2,389,379. The actual amount of the proposed reduction in the revised agreement is \$2,955,756, or a difference of \$566,377. This higher reduction amount equals a 22.27% decrease in the original PILOT agreement. Please explain why there appears to be a significantly higher decrease in the PILOT payment amount to be received by the Williamsville Central School District.

Information that was provided in this letter also stated that the build-out of original units was 48 units below the originally planned number of 283 units. From a mathematical calculation this equates to 16.96% not 18%. Please explain why the percentage reduction is not 16.96% rather than 18%.

Lastly, if you compare the original schedule to the revised schedule you will find that a payment in 2029 is omitted from the new schedule. In the old schedule this payment was \$663,744. Please explain why it appears that this payment has been omitted from the revised schedule.

Your assistance in providing additional information on the above questions and issues is appreciated.

Sincerely,

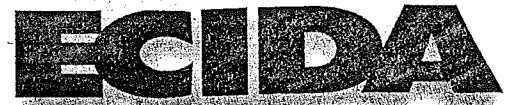
A handwritten signature in cursive script that reads "Thomas R. Matuski". The signature is written in dark ink and is positioned above the printed name.

Thomas R. Matuski
Assistant Superintendent of Finance
& Management Services

cc: Dr. Howard S. Smith, Superintendent
John Pappano, Esq., Philips Lytle LLP
Christopher Hurley, Esq., ECIDA

Erie County Industrial
Development Agency
275 Oak Street, Suite 150
Buffalo, New York 14203

phone: 716-856-6525
fax: 716-856-6754
www.ecidany.com
e-mail: info@ecidany.com



May 5, 2005

**Via Telecopy &
Certified Mail – Return Receipt Requested**

Mr. Thomas R. Matuski,
Assistant Superintendent of Finance & Management Services
Williamsville Central School District
105 Casey Road
P.O. Box 5000
East Amherst, NY 14051-5000

RE: Erie County Industrial Development Agency
2005 Episcopal Church Home & Affiliates Life Care Community, Inc. Project
d/b/a Lexington Village at Canterbury Woods

Dear Mr. Matuski:

I am in receipt of your April 28, 2005 letter to Dave Kerchoff with regard to the above matter, in which you requested a response to the three questions raised in your letter.

I am attaching a copy of a letter from Episcopal Church Home's consultant, Donald A. Griebner, which responds to each of the questions raised. I understand that Mr. Griebner will contact you directly to address any additional questions that you may have after your review of his letter.

As indicated in the Notice of Deviation from Uniform Tax Exemption Policy previously delivered to your office, the proposed payment in lieu of tax arrangement would result in a net increase in the amounts payable to the taxing jurisdictions (when the additional new payments allocable to the proposed Lexington Village expansion are taken into account), and the proposed adjustment to the schedule of payments with regard to the existing improvements was determined to be fair and equitable by the Town of Amherst Assessor.

If there are any further questions or comments, please direct the same to Mr. David W. Kerchoff, ECIDA Assistant Treasurer. As indicated in the prior notices delivered to your office, this matter will be before the ECIDA Board for action at its meeting to be held at 10:00 a.m. on Monday, May 9, 2005, at 275 Oak Street, Buffalo, New York 14203. A representative of the Williamsville Central School District will be


Officers and Board of Directors • Kevin J. Clarke, Chairman of the Board • Robert P. Fine, Secretary • James F. Doherty • David A. Franczyk
• Dennis H. Gabryszak • Joel A. Giambra • Susan J. Grelick • Marsha S. Henderson • George A. Holt Jr. • Mark Jones • Alfred F. Luhr III • Anthony M. Masiello
• Susan A. McCartney • Lawrence M. Meckler • Frank B. Mesiah • Ronald H. Moline • Andrew J. Rudnick • Fred B. Saia • Jack Semler • Timothy M. Wroblewski

permitted to address ECIDA with regard to the proposed deviation from its uniform tax exemption policy at that meeting.

Thank you.

Sincerely yours,

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

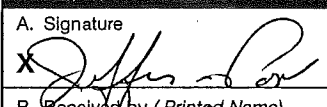
By: 
Christopher J. Hurley,
Assistant Secretary

cc Mr. David W. Kerchoff
(via telecopy; w/attachment)

John A. Pappano, Esq.

7002 2030 0005 4188 9876

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Mr. Thomas R. Matuski, Assistant Superintendent of Finance & Management Service Williamsville Central School District 105 Casey Road P.O. Box 5000 East Amherst, NY 14051-5000		
PS Form 3800, June 2002		See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature <input type="checkbox"/> Agent  <input type="checkbox"/> Addressee B. Received by (Printed Name) <input type="checkbox"/> Date of Delivery Jeffrey Pope 5-9-05 D. Is delivery address different from item 1? <input type="checkbox"/> Yes delivery address below: <input type="checkbox"/> No
1. Article Addressed to: Mr. Thomas R. Matuski, Assistant Superintendent of Finance & Management Services Williamsville Central School District 105 Casey Road P.O. Box 5000 East Amherst, NY 14051-5000	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes
2. Article Number	7002 2030 0005 4188 9876



May 5, 2005

HAND DELIVERY
Mr. Thomas R. Matuski
Assistant Superintendant of Finance
& Management Services
Williamsville Central Schools
105 Casey Road
P.O. Box 5000
East Amherst, NY 14051-5000

RE: Canterbury Woods

Dear Mr. Matuski:

This letter is in response to your correspondence dated April 28, 2005 concerning the proposed ECIDA Payment in Lieu of Tax (PILOT) revised agreement for Episcopal Church Home's Canterbury Woods development. I will address each of the questions you have raised. Please note that the Town of Amherst Assessor, Mr. Harry Williams, reviewed and approved our calculations, and the use of income and value variables as opposed to number of units and square footage.

You have asked why there appears to be a significantly higher decrease in PILOT payments to be received by the Williamsville Central School District (22.27%) as compared to the 18% fewer units built out (235 units vs. 283 units). First of all, the 18% adjustment in the PILOT payments is not based on a per unit percentage adjustment. You are correct in stating that there are actually 16.96% fewer units constructed, however due to size and income variances between units, this would not be an appropriate measure of adjustment.

The 48 units of Phase 1a, which were not built, represent 17.1% of gross potential income to the project. However when the income and associated expenses are extracted from the Pro Forma Operating Statement contained within the original appraisal, the derived market value is reduced by 19%. The associated assessed value and tax calculations are also reduced by 19%. (See attached Pro Formas (original and revised)). So the 18% adjustment is actually a blending of the income loss (17.1%) and the value loss (19%), although the value loss is the stronger determinant.

The reason for the larger reduction in payments (your calculation of 22.27%) can be explained by the credit for past years' overpayments that are spread out over the first six years in the amended PILOT (totaling \$327,834) as well as the lack of a PILOT payment in the schedule for 2029 (\$554,101) which together would total \$871,935 and would more than account for the discrepancy you note. Please be aware that the lack of a PILOT payment for 2029 is actually a benefit to the school district due to the project reverting to full market taxation.

I believe this addresses your concerns. I will follow up with you, and would be happy to meet with you personally to go through the numbers in further detail, if you desire.

Sincerely,



Donald A. Griebner
President

CC: John Pappano, Esq., via Fax
Christopher Hurley, Esq., via Fax
Milan Tyler, Esq., via Fax
Edward Weeks, via Fax
Dr. Howard S. Smith, Superintendent, via Fax

**STABILIZED PRO FORMA OPERATING STATEMENT
CANTERBURY WOODS PHASES 1 AND 1A**

	Original	<u>Revised</u>
Gross Potential Income:		
Rental Units	\$3,668,100	\$3,027,060
Guest Rooms	\$43,800	\$43,800
Retail	<u>\$27,300</u>	<u>\$27,300</u>
Total Gross Potential Income:	\$3,739,200	\$3,098,160
Less: Vacancy & Credit Loss:		
Rental Units - 5%	(\$183,405)	(\$151,353)
Guest Rooms - 50%	(\$21,900)	(\$21,900)
Retail Space - 5%	<u>(\$1,365)</u>	<u>(\$1,365)</u>
Total Vacancy & Credit Loss:	<u>(\$206,670)</u>	<u>(\$174,618)</u>
Effective Gross Income:	\$3,532,530	(\$2,923,542)
Expenses:		
Insurance	\$77,700	\$64,922
Utilities	\$582,882	\$486,915
Maintenance (5%)	\$176,627	\$146,177
Management (5%)	\$176,627	\$146,177
Legal/Audit (1%):	\$35,325	\$29,235
Payroll	\$60,000	\$60,000
Manager's Apartment	\$12,000	\$12,000
Payroll Taxes	\$12,600	\$12,600
Office/Supplies (1%)	\$35,325	\$29,235
Snow Grounds	\$50,000	\$50,000
Pool Expenses	\$25,600	\$25,600
Reserve for Replacement	<u>\$115,360</u>	<u>\$95,645</u>
TOTAL VARIABLE:	\$1,360,046	\$1,158,506
OPERATING EXPENSES: BEFORE REAL ESTATE TAXES:	<u>(\$1,360,046)</u>	<u>(\$1,158,506)</u>
NET OPERATING INCOME:	\$2,172,484	\$1,765,036
Capitalization Rate:	.14	.14
Indicated Value	\$15,520,000	\$12,600,000

Confidentiality Notice

This transmission is intended only for the party to which it is addressed. Any disclosure or the taking of any action in reliance on its contents by anyone other than the addressee is prohibited. If you have received this transmission in error, telephone immediately to arrange for its return.

Thank you.

1300 Liberty Building, Buffalo, New York 14202-3613
Telephone: (716) 849-8900 Fax: (716) 855-0874, 853-6129



Fax

To: Mr. Thomas R. Matuski	From: Christopher J. Hurley
Company: Williamsville Central School District	Pages: 6
Phone:	Date: May 5, 2005
Fax: 626-8017	Re: ECIDA/Canterbury Woods
CC:	Matter: 20042527

Urgent For Review Please Comment Please Reply Please Recycle

FAXED
Initials MKD
Date 5.5.05

* * * TRANSMISSION RESULT REPORT (IMMEDIATE TX) (MAY. 5. 2005 11:10AM) * * *

FAX HEADER: HURWITZ & FINE

DATE	TIME	ADDRESS	MODE	TIME	PAGE	RESULT	PERSONAL NAME	FILE
MAY. 5.	11:08AM	716 626 8089	ES	1'30"	P.	6 OK		328

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E : ECMM : MEMORY TX
S : STANDARD

Erie County Industrial
Development Agency
275 Oak Street, Suite 150
Buffalo, New York 14203

phone: 716-856-6525
fax: 716-856-6754
www.ecidany.com
e-mail: info@ecidany.com



May 5, 2005

**Via Telecopy &
Certified Mail – Return Receipt Requested**

Mr. Thomas R. Matuski,
Assistant Superintendent of Finance & Management Services
Williamsville Central School District
105 Casey Road
P.O. Box 5000
East Amherst, NY 14051-5000

RE: Erie County Industrial Development Agency
2005 Episcopal Church Home & Affiliates Life Care Community, Inc. Project
d/b/a Lexington Village at Canterbury Woods

Dear Mr. Matuski:

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As indicated in the Notice of Deviation from Uniform Tax Exemption Policy previously delivered to your office, the proposed payment in lieu of tax arrangement would result in a net increase in the amounts payable to the taxing jurisdictions (when the additional new payments allocable to the proposed Lexington Village expansion are taken into account), and the proposed adjustment to the schedule of payments with regard to the existing improvements was determined to be fair and equitable by the Town of Amherst Assessor.

If there are any further questions or comments, please direct the same to Mr. David W. Kerchoff, ECIDA Assistant Treasurer. As indicated in the prior notices delivered to your office, this matter will be before the ECIDA Board for action at its meeting to be held at 10:00 a.m. on Monday, May 9, 2005, at 275 Oak Street, Buffalo, New York 14203. A representative of the Williamsville Central School District will be

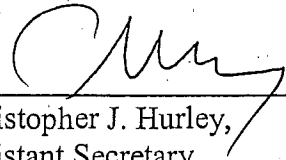
permitted to address ECIDA with regard to the proposed deviation from its uniform tax exemption policy at that meeting.

Thank you.

Sincerely yours,

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____


Christopher J. Hurley,
Assistant Secretary

cc Mr. David W. Kerchoff
(via telecopy; w/attachment)

John A. Pappano, Esq.



May 5, 2005

HAND DELIVERY

Mr. Thomas R. Matuski
Assistant Superintendent of Finance
& Management Services
Williamsville Central Schools
105 Casey Road
P.O. Box 5000
East Amherst, NY 14051-5000

RE: Canterbury Woods

Dear Mr. Matuski:

This letter is in response to your correspondence dated April 28, 2005 concerning the proposed ECIDA Payment in Lieu of Tax (PILOT) revised agreement for Episcopal Church Home's Canterbury Woods development. I will address each of the questions you have raised. Please note that the Town of Amherst Assessor, Mr. Harry Williams, reviewed and approved our calculations, and the use of income and value variables as opposed to number of units and square footage.

You have asked why there appears to be a significantly higher decrease in PILOT payments to be received by the Williamsville Central School District (22.27%) as compared to the 18% fewer units built out (235 units vs. 283 units). First of all, the 18% adjustment in the PILOT payments is not based on a per unit percentage adjustment. You are correct in stating that there are actually 16.96% fewer units constructed, however due to size and income variances between units, this would not be an appropriate measure of adjustment.

The 48 units of Phase 1a, which were not built, represent 17.1% of gross potential income to the project. However when the income and associated expenses are extracted from the Pro Forma Operating Statement contained within the original appraisal, the derived market value is reduced by 19%. The associated assessed value and tax calculations are also reduced by 19%. (See attached Pro Formas (original and revised)). So the 18% adjustment is actually a blending of the income loss (17.1%) and the value loss (19%), although the value loss is the stronger determinant.

The reason for the larger reduction in payments (your calculation of 22.27%) can be explained by the credit for past years' overpayments that are spread out over the first six years in the amended PILOT (totaling \$327,834) as well as the lack of a PILOT payment in the schedule for 2029 (\$554,101) which together would total \$871,935 and would more than account for the discrepancy you note. Please be aware that the lack of a PILOT payment for 2029 is actually a benefit to the school district due to the project reverting to full market taxation.

I believe this addresses your concerns. I will follow up with you, and would be happy to meet with you personally to go through the numbers in further detail, if you desire.

Sincerely,



Donald A. Griebner
President

CC: John Pappano, Esq., via Fax
Christopher Hurley, Esq., via Fax
Milan Tyler, Esq., via Fax
Edward Weeks, via Fax
Dr. Howard S. Smith, Superintendent, via Fax

**STABILIZED PRO FORMA OPERATING STATEMENT
CANTERBURY WOODS PHASES 1 AND 1A**

	Original	<u>Revised</u>
Gross Potential Income:		
Rental Units	\$3,668,100	\$3,027,060
Guest Rooms	\$43,800	\$43,800
Retail	<u>\$27,300</u>	<u>\$27,300</u>
Total Gross Potential Income:	\$3,739,200	\$3,098,160
Less: Vacancy & Credit Loss:		
Rental Units - 5%	(\$183,405)	(\$151,353)
Guest Rooms - 50%	(\$21,900)	(\$21,900)
Retail Space - 5%	<u>(\$1,365)</u>	<u>(\$1,365)</u>
Total Vacancy & Credit Loss:	<u>(\$206,670)</u>	<u>(\$174,618)</u>
Effective Gross Income:	\$3,532,530	(\$2,923,542)
Expenses:		
Insurance	\$77,700	\$64,922
Utilities	\$582,882	\$486,915
Maintenance (5%)	\$176,627	\$146,177
Management (5%)	\$176,627	\$146,177
Legal/Audit (1%):	\$35,325	\$29,235
Payroll	\$60,000	\$60,000
Manager's Apartment	\$12,000	\$12,000
Payroll Taxes	\$12,600	\$12,600
Office/Supplies (1%)	\$35,325	\$29,235
Snow Grounds	\$50,000	\$50,000
Pool Expenses	\$25,600	\$25,600
Reserve for Replacement	<u>\$115,360</u>	<u>\$95,645</u>
TOTAL VARIABLE:	\$1,360,046	\$1,158,506
OPERATING EXPENSES: BEFORE REAL ESTATE TAXES:	<u>(\$1,360,046)</u>	<u>(\$1,158,506)</u>
NET OPERATING INCOME:	\$2,172,484	\$1,765,036
Capitalization Rate:	.14	.14
Indicated Value	\$15,520,000	\$12,600,000



May 6, 2005

Via Telecopy & Certified Mail -
Return Receipt Requested

Mr. David W. Kerchoff
ECIDA
275 Oak Street Suite 150
Buffalo, NY 14203

Re: Canterbury Woods

Dear Mr. Kerchoff:

This letter is in response to information the District received from Mr. Griebner of Real Property Services LLC on May 5, 2005.

The information provided by Mr. Griebner addressed a question concerning the reduction amount that appears in the proposed agreement. It was explained to the District that a higher reduction is due to a derived market value calculation that considers the original appraisal value and then reduces this appraisal by adjustments that consider the gross potential income and operating expenses generated by these Canterbury units. The District would like to know if this derived value calculation has been used on other ECIDA projects and whether it is common practice to use this method in quantifying PILOT assessed values? The District would also like to understand why the reduction in build-out is arising seven years into the agreement?

Mr. Griebner also indicated that the final PILOT payment was dropped from the original PILOT schedule. The District would like to confirm what the payment amount will be at full tax value in the year 2029. To estimate this payment the 2004 tax rate may be applied to this calculation.

The District understands the basis for the Episcopal Home requesting a reduction in the current PILOT agreement. The District would like to present the following items for consideration as part of this revised agreement.

Language will be added to the agreement that states that the Episcopal Church Home will not grieve the assessment throughout the PILOT agreement and for five years after the agreement expires.

The reduction in the PILOT assessed value will begin with the 2006 year and will not be retroactive to the prior years of the agreement.

105 Casey Road, P.O. Box 5000, East Amherst, NY 14051-5000 • Phone: (716) 626-8012, Fax: (716) 626-8017
www.williamsvillek12.org

Thomas R. Maturski, Assistant Superintendent for Finance & Management Services

The reduction will be limited to the 18% as reviewed and agreed upon by the Amherst Assessor as the fair value of the units that were not built.

The District is open to working with all related parties to come to a mutually beneficial revised agreement. Please understand that any draft agreement will be reviewed by the District's legal counsel and then must be presented to the Board of Education for their review and approval.

Sincerely,

A handwritten signature in cursive script that reads "Thomas R. Matuski".

Thomas R. Matuski
Assistant Superintendent of Finance
& Management Services

cc: Dr. Howard S. Smith, Superintendent
Bernard Freedman, Esq., Norton/Radin/Hoover/Freedman
John Pappano, Esq., Philips Lytle LLP
Christopher Hurley, Esq., ECIDA

MAY - 9 2005

Erie County Industrial
Development Agency
275 Oak Street, Suite 150
Buffalo, New York 14203

phone: 716-856-6525
fax: 716-856-6754
www.ecidany.com
e-mail: info@ecidany.com

ECIDA

Chief Executive Officer
Williamsville Central School District
105 Casey Road
East Amherst, New York 14051-2224

RE: Erie County Industrial Development,
2005 Episcopal Church Home & Affi
Life Care Community, Inc. Project d/
Lexington Village at Canterbury Woo

Dear Sir/Madam:

Previously we forwarded a Notice of Propos
Tax Exemption Policy for the above-referenced project to you

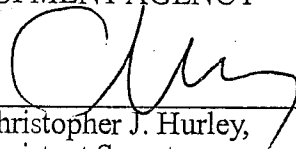
ECIDA had anticipated considering whether to approve the proposed deviation at its meeting on May 9, 2005, but ECIDA now anticipates considering whether to approve the proposed deviation at its meeting to be held at 10:00 a.m. on June 13, 2005 at 275 Oak Street, Buffalo, New York 14203. Prior to taking final action at such meeting, ECIDA will review and respond to any correspondence received from you regarding the proposed deviation, and a representative of the Williamsville Central School District will be permitted to address ECIDA regarding the proposed deviation at the June 13, 2005 meeting.

Please feel free to call Mr. David W. Kerchoff, ECIDA Deputy Chief Lending Officer, or the undersigned, if you have any questions or comments.

Sincerely yours,

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____


Christopher J. Hurley,
Assistant Secretary

CJH:krk

cc: Mr. Alfred D. Culliton
Mr. David W. Kerchoff
Mr. Thomas R. Maturski (via telecopy and regular mail)
John A. Pappano, Esq.

May 19 4:14 PM '05

Certi
Retu

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Chief Executive Officer
Williamsville Central School District
105 Casey Road
East Amherst, New York 14051-2224

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Chief Executive Officer
Williamsville Central School District

105 Casey Road
East Amherst, New York 14051-2224

2. Article Number
(Transfer from service label)

PS Form 3811, August 2001

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X *Jeffrey Pope* Address

B. Received by (Printed Name) Agent
Jeffrey Pope Address

C. Date of Delivery
5.10.05

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4. Restricted Delivery? (Extra Fee) Yes

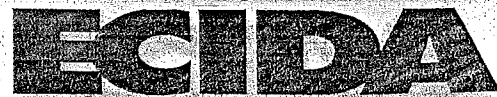
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102595-01-M-2

Erie County Industrial
Development Agency
275 Oak Street, Suite 150
Buffalo, New York 14203

phone: 716-856-6525
fax: 716-856-6754
www.ecidany.com
e-mail: info@ecidany.com



May 9, 2005

Hon. Susan Grelick
Supervisor – Town of Amherst
5583 Main Street
Amherst, New York 14221

Certified Mail
Return Receipt Requested

RE: Erie County Industrial Development Agency
2005 Episcopal Church Home & Affiliates
Life Care Community, Inc. Project d/b/a
Lexington Village at Canterbury Woods

Dear Ms. Grelick:

Previously we forwarded a Notice of Proposed Deviation from ECIDA's Uniform Tax Exemption Policy for the above-referenced project to your attention.

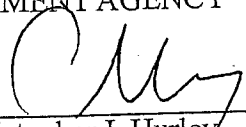
ECIDA had anticipated considering whether to approve the proposed deviation at its meeting on May 9, 2005, but ECIDA now anticipates considering whether to approve the proposed deviation at its meeting to be held at 10:00 a.m. on June 13, 2005 at 275 Oak Street, Buffalo, New York 14203. Prior to taking final action at such meeting, ECIDA will review and respond to any correspondence received from you regarding the proposed deviation, and a representative of the Town of Amherst will be permitted to address ECIDA regarding the proposed deviation at the June 13, 2005 meeting.

Please feel free to call Mr. David W. Kerchoff, ECIDA Deputy Chief Lending Officer, or the undersigned, if you have any questions or comments.

Sincerely yours,

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____


Christopher J. Hurley,
Assistant Secretary

CJH:krk

cc: Mr. Alfred D. Culliton
Mr. David W. Kerchoff
John A. Pappano, Esq.

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
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<p>1. Article Addressed to:</p> <p>Hon. Susan Grelick Supervisor – Town of Amherst 5583 Main Street Amherst, New York 14221</p>	<p>D. Is delivery address different from item 1? If YES, enter delivery address below: <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label)</p>	<p>7002 2030 0005 4188 9838</p>
<p>PS Form 3811, August 2001</p>	<p>Domestic Return Receipt 102595-01-M-2509</p>

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Return Receipt Fee (Endorsement Required)							
Hon. Susan Grelick Supervisor – Town of Amherst 5583 Main Street Amherst, New York 14221							
PS Form 3800, June 2002 See Reverse for Instructions							

9838 4188 0005 2030 7002

Erie County Industrial
Development Agency
275 Oak Street, Suite 150
Buffalo, New York 14203

phone: 716-856-6525
fax: 716-856-6754
www.ecidany.com
e-mail: info@ecidany.com



May 9, 2005

Hon. Joel A. Giambra
Erie County Executive
95 Franklin Street
Buffalo, New York 14202

**Certified Mail
Return Receipt Requested**

RE: Erie County Industrial Development Agency
2005 Episcopal Church Home & Affiliates
Life Care Community, Inc. Project d/b/a
Lexington Village at Canterbury Woods

Dear Mr. Giambra:

Previously we forwarded a Notice of Proposed Deviation from ECIDA's Uniform Tax Exemption Policy for the above-referenced project to your attention.

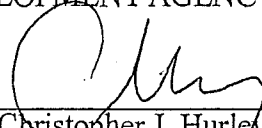
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Please feel free to call Mr. David W. Kerchoff, ECIDA Deputy Chief Lending Officer, or the undersigned, if you have any questions or comments.

Sincerely yours,

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____


Christopher J. Hurley,
Assistant Secretary

CJH:krk

cc: Mr. Alfred D. Culliton
Mr. David W. Kerchoff
Laurence K. Rubin, Esq.
John A. Pappano, Esq.

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Erie County Executive
95 Franklin Street
Buffalo, New York 14202

PS Form 3800, June 2002

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1. Article Addressed to:

Hon. Joel A. Giambra
Erie County Executive
95 Franklin Street
Buffalo, New York 14202

2. Article Number
(Transfer from service label)

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A. Signature
Priscilla Williams Agent Addressee

B. Received by (Printed Name) *Priscilla Williams* C. Date of Delivery *8/25/01*

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If YES, enter delivery address below: No

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4. Restricted Delivery? (Extra Fee) Yes

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PS Form 3811, August 2001

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Thank you.

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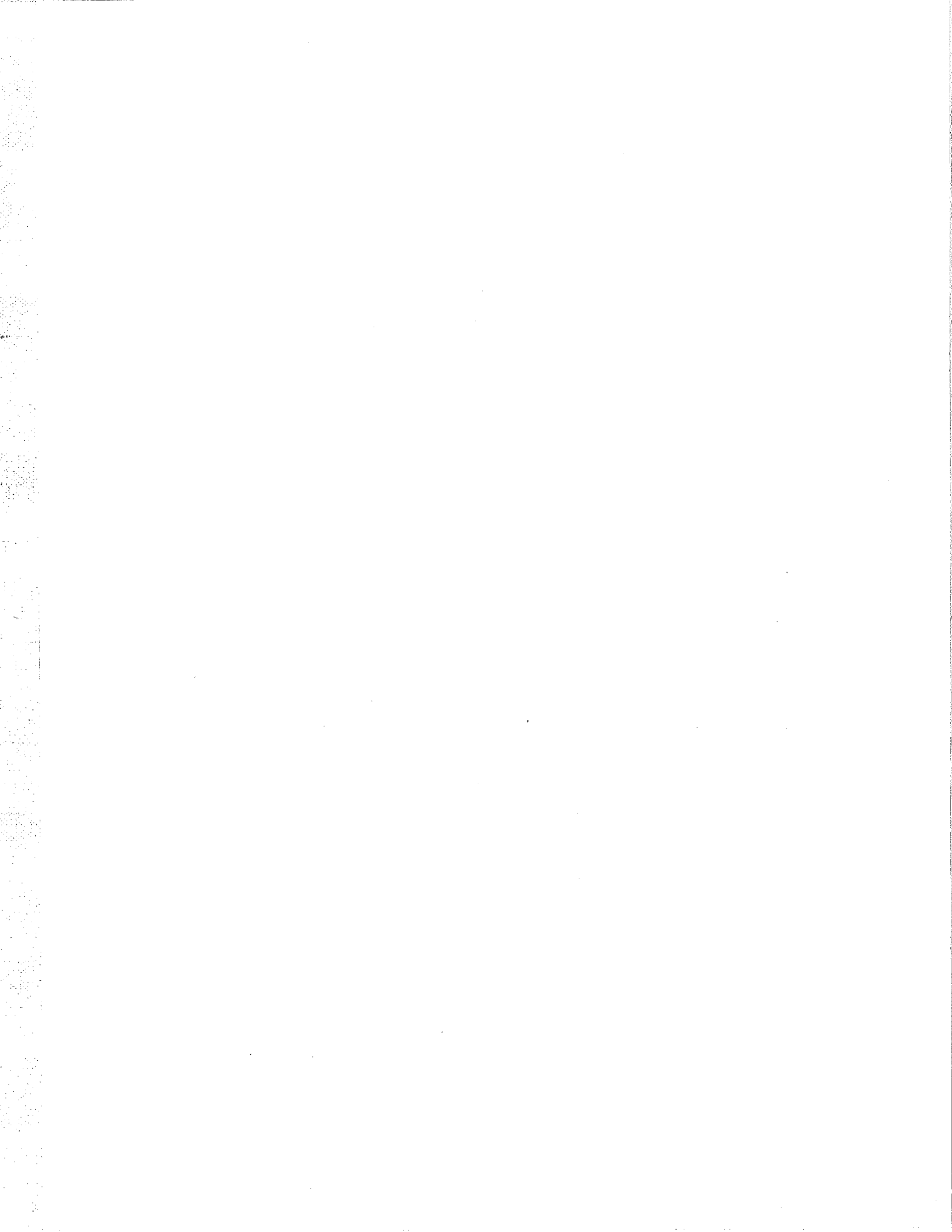
HURWITZ & FINE, P.C.
ATTORNEYS AT LAW

Fax

To:	Mr. Thomas R. Matuski	From:	Christopher J. Hurley
Company:	Williamsville Central School District	Pages:	2
Phone:		Date:	May 9, 2005
Fax:	626-8017	Re:	ECIDA/Canterbury Woods
CC:		Matter:	20042527

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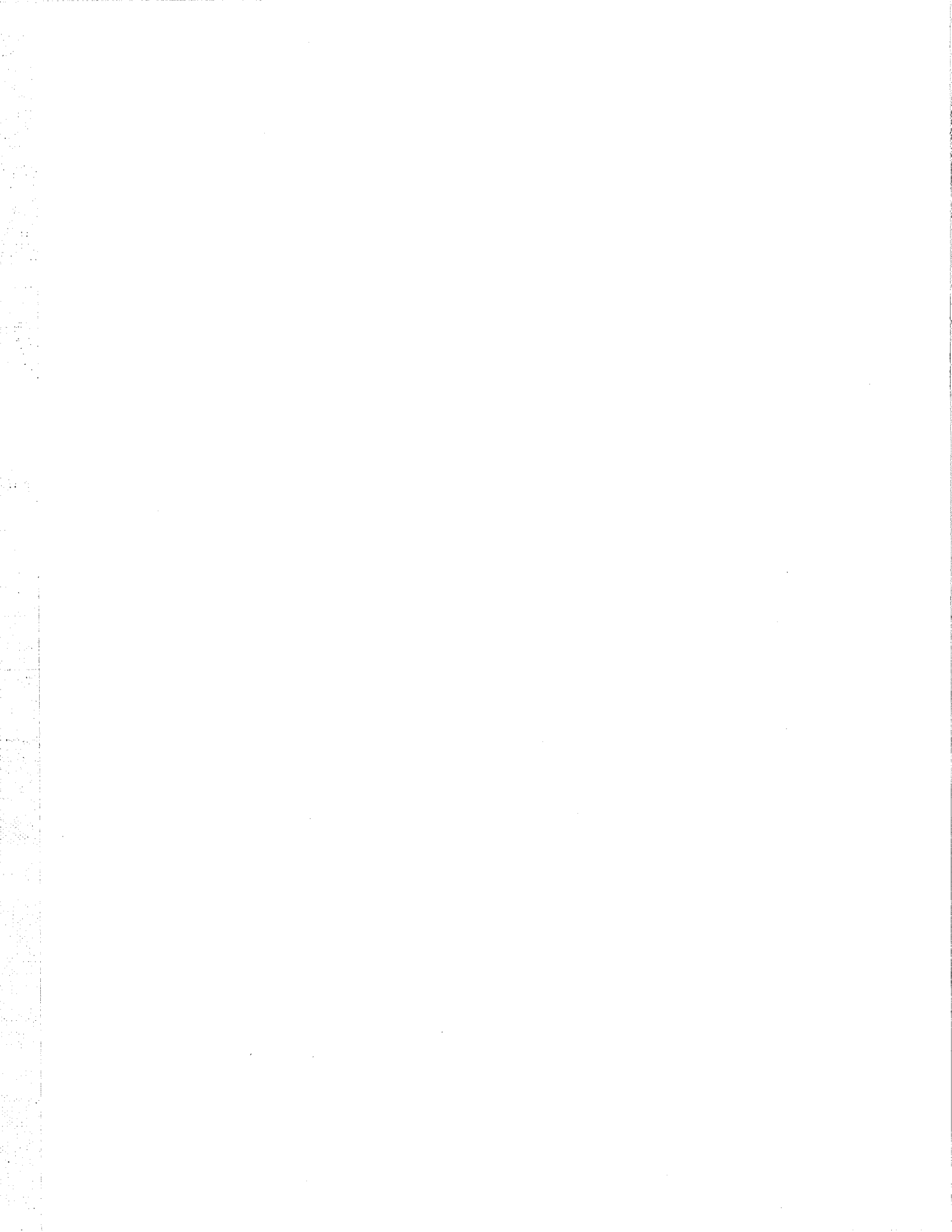
1300 Liberty Building, Buffalo, New York 14202-3613
Telephone: (716) 849-8900 Fax: (716) 855-0874, 853-6129

HURWITZ & FINE, P.C.
ATTORNEYS AT LAW

Fax

To:	Mr. Thomas R. Matuski	From:	Christopher J. Hurley
Company:	Williamsville Central School District	Pages:	2
Phone:		Date:	May 9, 2006
Fax:	626-8017	Re:	ECIDA/Canterbury Woods
CC:		Matter:	20042527

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Erie County Industrial
Development Agency
275 Oak Street, Suite 150
Buffalo, New York 14203

phone: 716-856-6525
fax: 716-856-6754
www.ecidany.com
e-mail: info@ecidany.com



May 9, 2005

Chief Executive Officer
Williamsville Central School District
105 Casey Road
East Amherst, New York 14051-2224

Certified Mail
Return Receipt Requested

RE: Erie County Industrial Development Agency
2005 Episcopal Church Home & Affiliates
Life Care Community, Inc. Project d/b/a
Lexington Village at Canterbury Woods

Dear Sir/Madam:

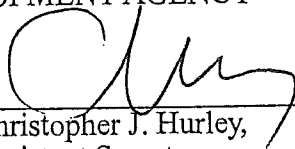
Previously we forwarded a Notice of Proposed Deviation from ECIDA's Uniform Tax Exemption Policy for the above-referenced project to your attention.

ECIDA had anticipated considering whether to approve the proposed deviation at its meeting on May 9, 2005, but ECIDA now anticipates considering whether to approve the proposed deviation at its meeting to be held at 10:00 a.m. on June 13, 2005 at 275 Oak Street, Buffalo, New York 14203. Prior to taking final action at such meeting, ECIDA will review and respond to any correspondence received from you regarding the proposed deviation, and a representative of the Williamsville Central School District will be permitted to address ECIDA regarding the proposed deviation at the June 13, 2005 meeting.

Please feel free to call Mr. David W. Kerchoff, ECIDA Deputy Chief Lending Officer, or the undersigned, if you have any questions or comments.

Sincerely yours,

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Christopher J. Hurley,
Assistant Secretary

CJH:krk

cc: Mr. Alfred D. Culliton
Mr. David W. Kerchoff
Mr. Thomas R. Matuski (via telecopy and regular mail)
John A. Pappano, Esq.

**Erie County Industrial
Development Agency**
275 Oak Street, Suite 150
Buffalo, New York 14203

phone: 716-856-6525
fax: 716-856-6754
www.ecidany.com
e-mail: info@ecidany.com



May 12, 2005

Certified Mail
Return Receipt Requested

Mr. Thomas R. Matuski,
Assistant Superintendent of Finance & Management Services
Williamsville Central School District
105 Casey Road
P.O. Box 5000
East Amherst, NY 14051-5000

RE: Erie County Industrial Development Agency
2005 Episcopal Church Home & Affiliates Life Care Community, Inc. Project
d/b/a Lexington Village at Canterbury Woods
Our File No. 20042527

Dear Mr. Matuski:

I am in receipt of your May 6, 2005 letter to Dave Kerchoff with regard to the above matter, in which you requested some additional information and made some specific suggestions with regard to the proposed payment in lieu of tax arrangement for the above matter.


I am attaching a copy of a letter from Episcopal Church Home & Affiliates Life Care Community, Inc. (the "Company") which responds to your inquiries and to your suggestions. I understand that School District representatives will be meeting with representatives of the Company next week to review this matter further.

If there are any further questions or comments, please direct the same to Mr. David W. Kerchoff, ECIDA Assistant Treasurer. As indicated in the prior notices delivered to your office, this matter will be before the ECIDA Board for action at its meeting to be held at 10:00 a.m. on Monday, June 13, 2005, at 275 Oak Street, Buffalo, New York 14203. A representative of the Williamsville Central School District will be permitted to address ECIDA with regard to the proposed deviation from its Uniform Tax Exemption Policy at that meeting.

Thank you.

Sincerely yours,

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Christopher J. Hurley,
Assistant Secretary


cc Mr. David W. Kerchoff
John A. Pappano, Esq.
(w/attachment)

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Mr. Thomas R. Matuski,
Assistant Superintendent of Finance & Management Ser
Williamsville Central School District
105 Casey Road
P.O. Box 5000
East Amherst, NY 14051-5000

PS Form 3800, June 2002 See Reverse for Instructions

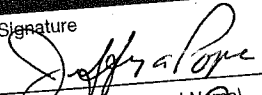
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1. Article Addressed to:
Mr. Thomas R. Matuski,
Assistant Superintendent of Finance & Management Services
Williamsville Central School District
105 Casey Road
P.O. Box 5000
East Amherst, NY 14051-5000

2. Article Number _____

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A. Signature Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery
Jeffrey Pope 5-13-05

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4. Restricted Delivery? (Extra Fee) Yes

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102595-01-M-25

Episcopal Church Home & Affiliates Life Care Community, Inc.
705 Renaissance Drive
Williamsville, NY 14221-8080
Telephone: (716) 929-5800

TELECOPY AND FIRST CLASS MAIL

Thomas R. Maturski
Assistant Superintendent of Finance
& Management Services
Williamsville Central School District
105 Casey Road
P.O. Box 5000
East Amherst, NY 14051-5000

May 12, 2005

Re: Canterbury Woods

Dear Mr. Maturski:

This letter will confirm our meeting at the Administration Building at 10:00 a.m. on May 18th, and will serve as a response to your letter of May 6, 2005 to David Kerchoff of the ECIDA. We are eager to address and resolve your concerns. As you may know, our financing is already lined up and we are ready to break ground on Phase II of Canterbury Woods. Phase II, which will be known as Lexington Village, will consist of forty (40) cottage homes and a clubhouse.

Our responses to your questions are as follows:

The derived value calculation employed by Don Griebner was agreed to by Harry Williams in 1996, and was approved by everyone in connection with the closing of Phase I of Canterbury Woods. This method was also used by at least two (2) other life care communities in New York: Glen Arden in Orange County and Westchester Meadows in Westchester County. Keep in mind that there are no more than seven (7) life care communities in all of New York State. You should also be aware that there are PILOT arrangements in other locales wherein PILOT payments are lowered to compensate for higher than anticipated taxes prior to the PILOT taking effect.

The Phase I PILOT is being amended because the Essex portion of Phase I was never built. As a result, we have overpaid under the original Phase I PILOT by more than \$550,000. Therefore, the amended Phase I PILOT reflects a credit for this overpayment,

- 2 -

spread over the first six (6) years of the amended Phase I PILOT. The amended Phase I PILOT also provides for a correction of the payments going forward by removing that portion of Phase I that was never built. Of course, if the remaining Phase I portion of the project is ever built, the PILOT will revert to the original numbers. We understand that you are amenable to the amended PILOT for Phase I (except with respect to the overpayment credit). We must emphasize that your assessor, Harry Williams, has agreed with the amended Phase I PILOT because it is fair and equitable.

3. As previously mentioned by Don Griebner, the lack of a PILOT payment for 2029 benefits the School District because the project at that time reverts to full taxation. Unfortunately, it is not possible to estimate the tax payment due to the School District in 2029, after expiration of the PILOT, with any degree of accuracy.
4. We agree that we will not grieve the assessment for those years covered by the PILOT Agreement, but cannot agree to refrain from doing so beyond the term of the PILOT Agreement. When the property returns to the tax rolls, we must ensure that the assessed value is fair and reasonable, just as any other taxpayer may do.
5. We do not believe that this matter needs to be addressed by the Board of Education. It is our understanding that these decisions are rarely, if ever, referred to the Board. Waiting for Board approval could serve only to further delay the project. We are not requesting formal Board approval, only your tacit approval by withdrawing your objections.

As you may know, we are operating under a very aggressive construction schedule, and need to move forward as quickly as possible. That is why we were so disappointed to learn of your additional questions on May 6, just one (1) business day prior to the ECIDA Board meeting on May 9, especially since the School District was provided with the proposed PILOT schedule in early March.

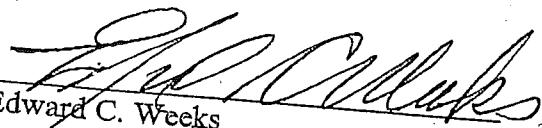
We urge you to withdraw your objections to the amended PILOT schedule because (a) it is fair and equitable, (b) it has been approved by the Town Assessor, (c) when combining the proposed PILOT payments for both Phase I and Phase II, there is a net increase in amounts payable to the School District, (d) it forms the basis of the project's financial model (which has been approved by our lender) and (e) the project will create jobs, will allow elderly residents to remain in Western New York, and will benefit the community, without any additional burden on the School District. If Phase II is not built, the School District will not enjoy the benefit of additional PILOT payments. Moreover, the failure to construct Phase II could result in the land being used for exempt purposes, which would completely remove over 17 acres of land from the tax rolls.

We look forward to meeting with you. Thank you.

Very truly yours,

EPISCOPAL CHURCH HOME & AFFILIATES
LIFE CARE COMMUNITY, INC.

By



Edward C. Weeks
President and CEO

- cc:
- Dr. Howard Smith (via fax)
 - Bernard B. Freedman, Esq. (via fax)
 - John A. Pappano, Esq. (via fax)
 - Milan K. Tyler, Esq. (via fax)
 - Christopher J. Hurley, Esq. (via fax)
 - David Kerchoff (via fax)
 - Donald Griebner (via fax)
 - James Juliano

**Erie County Industrial
Development Agency**

275 Oak Street, Suite 150
Buffalo, New York 14203

phone: 716-856-6525
fax: 716-856-6754
www.ecidany.com
e-mail: info@ecidany.com



May 25, 2005

Hon. Susan Grelick
Supervisor – Town of Amherst
5583 Main Street
Amherst, New York 14221

**Certified Mail
Return Receipt Requested**

RE: Erie County Industrial Development Agency
2005 Episcopal Church Home & Affiliates
Life Care Community, Inc. Project d/b/a
Lexington Village at Canterbury Woods

Dear Ms. Grelick:

We previously forwarded a Notice of Proposed Deviation from ECIDA's Uniform Tax Exemption Policy for the above-referenced project to your attention, which included a proposed revised payment schedule for Phase 1 of this project.

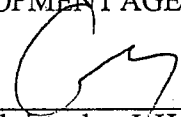
The company has agreed to an increase in the payments called for in such schedule for years 8-13, as set forth on the attached payment schedule. No other changes have been made to this schedule, nor to the proposed schedule for the payments to be made in connection with the Lexington Village Phase II component of the project.

As indicated in prior correspondence, ECIDA anticipates considering whether to approve the proposed deviation from its Uniform Tax Exemption Policy at its meeting to be held at 10:00 a.m. on June 13, 2005 at 275 Oak Street, Buffalo, New York 14203. Prior to taking final action at such meeting, ECIDA will review and respond to any correspondence received from you regarding the proposed deviation, and a representative of the Town of Amherst will be permitted to address ECIDA regarding the proposed deviation at the June 13, 2005 meeting.

Please feel free to call Mr. David W. Kerchoff, ECIDA Deputy Chief Lending Officer, or the undersigned, if you have any questions or comments.

Sincerely yours,

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Christopher J. Hurley,
Assistant Secretary

CJH:krk
enclosure

cc: Mr. Alfred D. Culliton
Mr. David W. Kerchoff
John A. Pappano, Esq.

CANTERBURY WOODS AMENDED PHASE I PILOT**Effective May 1st, 2005**

* Removes phase 1a (18%) starting 2006
(if phase 1a is constructed, revert to original numbers)

Year	Fiscal Yr.	Town	County	School	Total
8	2005/2006	\$72,938	\$120,160	\$275,691	\$468,789
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24	2021/2022	\$117,043	\$192,821	\$442,404	\$752,268
25	2022/2023	\$120,554	\$198,606	\$455,676	\$774,836
26	2023/2024	\$124,171	\$204,564	\$469,346	\$798,081
27	2024/2025	\$127,896	\$210,701	\$483,427	\$822,023
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TOTALS		\$2,367,030	\$3,899,580	\$8,946,982	\$15,213,593

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1. Article Addressed to:

Hon. Susan Grelick
 Supervisor – Town of Amherst
 5583 Main Street
 Amherst, New York 14221

2. Article Number
 (Transfer from service label)

7004 0550 0000 3185 1133

PS Form 3811, August 2001

Domestic Return Receipt

102595-01-M-2509

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A. Signature
Lisa LaMond Agent Addressee

B. Received by (Printed Name) *LISA LAMOND* C. Date of Delivery *5-26-05*

D. Is delivery address different from item 1? Yes
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 5583 Main Street
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See Reverse for Instructions

Erie County Industrial
Development Agency
275 Oak Street, Suite 150
Buffalo, New York 14203

phone: 716-856-6525
fax: 716-856-6754
www.ecidany.com
e-mail: info@ecidany.com



May 25, 2005

Chief Executive Officer
Williamsville Central School District
105 Casey Road
East Amherst, New York 14051-2224

Certified Mail
Return Receipt Requested

RE: Erie County Industrial Development Agency
2005 Episcopal Church Home & Affiliates
Life Care Community, Inc. Project d/b/a
Lexington Village at Canterbury Woods

Dear Sir/Madam:

We previously forwarded a Notice of Proposed Deviation from ECIDA's Uniform Tax Exemption Policy for the above-referenced project to your attention, which included a proposed revised payment schedule for Phase 1 of this project.


The company has agreed to an increase in the payments called for in such schedule for years 8-13, as set forth on the attached payment schedule. No other changes have been made to this schedule, nor to the proposed schedule for the payments to be made in connection with the Lexington Village Phase II component of the project.

As indicated in prior correspondence, ECIDA anticipates considering whether to approve the proposed deviation from its Uniform Tax Exemption Policy at its meeting to be held at 10:00 a.m. on June 13, 2005 at 275 Oak Street, Buffalo, New York 14203. Prior to taking final action at such meeting, ECIDA will review and respond to any correspondence received from you regarding the proposed deviation, and a representative of the Williamsville Central School District will be permitted to address ECIDA regarding the proposed deviation at the June 13, 2005 meeting.

Please feel free to call Mr. David W. Kerchoff, ECIDA Deputy Chief Lending Officer, or the undersigned, if you have any questions or comments.

Sincerely yours,

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Christopher J. Hufley,
Assistant Secretary

CJH:krk
enclosure

cc: Mr. Alfred D. Culliton
Mr. David W. Kerchoff
Mr. Thomas R. Matuski (via telecopy and regular mail)
John A. Pappano, Esq.

CANTERBURY WOODS AMENDED PHASE I PILOT

Effective May 1st, 2005

* Removes phase 1a (18%) starting 2006
(if phase 1a is constructed, revert to original numbers)

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TOTALS		\$2,367,030	\$3,899,580	\$8,946,982	\$15,213,593

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1. Article Addressed to:

Mr. Thomas R. Matuski,
Assistant Superintendent of Finance & Management
Services
Williamsville Central School District
105 Casey Road
P.O. Box 5000
East Amherst, NY 14051-5000

2. Article Number
(Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X *Thomas R Matuski* Agent Addressee

B. Received by (Printed Name) *Thomas R Matuski* C. Date of Delivery *5/26/05*

D. Is delivery address different from item 1? Yes No
if YES, enter delivery address below:

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1. Article Addressed to:

Chief Executive Officer
Williamsville Central School District
105 Casey Road
East Amherst, New York 14051-2224

2. Article Number
(Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Signature
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3. Service Type
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 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

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Williamsville Central School District
105 Casey Road
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Mr. Thomas R. Matuski,
Assistant Superintendent of Finance & Management
Services
Williamsville Central School District
105 Casey Road
P.O. Box 5000
East Amherst, NY 14051-5000

PS Form 3800, June 2002 See Reverse for Instructions

Erie County Industrial
Development Agency
275 Oak Street, Suite 150
Buffalo, New York 14203

phone: 716-856-6525
fax: 716-856-6754
www.ecidany.com
e-mail: info@ecidany.com



May 25, 2005

Hon. Joel A. Giambra
Erie County Executive
95 Franklin Street
Buffalo, New York 14202

**Certified Mail
Return Receipt Requested**

RE: Erie County Industrial Development Agency
2005 Episcopal Church Home & Affiliates
Life Care Community, Inc. Project d/b/a
Lexington Village at Canterbury Woods

Dear Mr. Giambra:

We previously forwarded a Notice of Proposed Deviation from ECIDA's Uniform Tax Exemption Policy for the above-referenced project to your attention, which included a proposed revised payment schedule for Phase 1 of this project.

The company has agreed to an increase in the payments called for in such schedule for years 8-13, as set forth on the attached payment schedule. No other changes have been made to this schedule, nor to the proposed schedule for the payments to be made in connection with the Lexington Village Phase II component of the project.

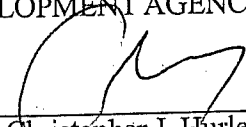
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Please feel free to call Mr. David W. Kerchoff, ECIDA Deputy Chief Lending Officer, or the undersigned, if you have any questions or comments.

Sincerely yours,

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____


Christopher J. Hurley,
Assistant Secretary

CJH:krk
enclosure

cc: Mr. Alfred D. Culliton
Mr. David W. Kerchoff
Laurence K. Rubin, Esq.
John A. Pappano, Esq.

CANTERBURY WOODS AMENDED PHASE I PILOT

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TOTALS		\$2,367,030	\$3,899,580	\$8,946,982	\$15,213,593

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		<p>A. Signature X <i>Camille Williams</i> <input type="checkbox"/> Agent Addressee</p> <p>B. Received by (Printed Name) <i>Camille Williams</i> C. Date of Delivery 5/26/00</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>1. Article Addressed to:</p> <p>Hon. Joel A. Giambra Erie County Executive 95 Franklin Street Buffalo, New York 14202</p>		<p>3. Service Type</p> <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
<p>2. Article Number (Transfer from service label)</p>		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
<p>PS Form 3811, August 2001</p>		<p>7002 2030 0005 4188 9760</p> <p>Domestic Return Receipt</p>	

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Hon. Joel A. Giambra Erie County Executive 95 Franklin Street Buffalo, New York 14202	
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7002 2030 0005 4188 9760

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Effective May 1st, 2005

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26	2023/2024	\$124,171	\$204,564	\$469,346	\$798,081
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May 26, 2005

Mr. David W. Kerchoff
ECIDA
275 Oak Street Suite 150
Buffalo, NY 14203

Re: Canterbury Woods

Dear Mr. Kerchoff:

On behalf of the Williamsville Central School District, this letter will confirm our approval of the proposed payment in lieu of taxes schedule for the Canterbury Woods project.

If you have any questions, please do not hesitate to contact me.

Yours truly,



Thomas R. Matuski
Assistant Superintendent of Finance
& Management Services

cc: Dr. Howard Smith, Superintendent,
Edward C. Weeks, President, Episcopal Church Home & Affiliates
John Pappano, Esq., Philips Lytle LLP
Bernard Freedman Esq., Norton/Radin/Hoover/Freedman

PUBLIC HEARING OFFICER'S STATEMENT

Good morning, ladies and gentlemen. My name is Edward Arnold. I am Director, International Trade of the Erie County Industrial Development Agency.

I have been asked by the Erie County Industrial Development Agency, otherwise known as ECIDA, to conduct today's hearing which is being held pursuant to Section 859-a of the General Municipal Law.

The transcript of this hearing as well as all comments received from the public will be considered by ECIDA prior to committing to provide financial assistance for the Episcopal Church Home & Affiliates Life Care Community, Inc./Canterbury Woods Project, which I will refer to as the "Project".

As required by General Municipal Law Section 859-a, the following notice was published on March 6, 2005 in the Buffalo News. The text of the notice is as follows:

**NOTICE OF PUBLIC HEARING
PURSUANT TO NEW YORK GENERAL MUNICIPAL LAW §859-a**

PLEASE TAKE NOTICE that the Erie County Industrial Development Agency will conduct a public hearing at the time and place described below with respect to the project described below and the proposal of said Agency to provide financial assistance relative to such project:

DATE: April 8, 2005

TIME: 9:00 a.m.

PLACE: Council Chambers
Amherst Town Hall
5583 Main Street
Williamsville, New York 14221

DESCRIPTION OF PROJECT: Expansion of an existing life care community commonly known as Canterbury Woods. The expansion will consist of the construction of "Lexington Village", which will include 40 dwelling units in single and duplex buildings with a 3,575+/-

square foot community building/clubhouse, along with infrastructure improvements, landscaping and the acquisition and installation of personal property in connection therewith.

LOCATION OF PROJECT:

601-681 Renaissance Drive, Amherst, New York. Existing life care community is located at 705 Renaissance Drive, Amherst, New York.

PROJECT OPERATOR:

Episcopal Church Home & Affiliates Life Care Community, Inc.

AGENCY ASSISTANCE:

1. Issuance and sale of Industrial Revenue Bonds in the estimated amount of \$14,500,000.00;
2. Sales tax exemption for certain materials and/or equipment purchased for incorporation in the project;
3. Non-standard real property tax benefits with respect to Town of Amherst, Williamsville Central School District and Erie County taxes (details of non-standard real property tax benefits for the project to be provided directly to the affected tax jurisdictions as required by New York State law), along with an adjustment to the non-standard real property tax benefits currently provided for the existing life care community, all to be determined in accordance with Agency's Uniform Tax Exemption Policy and Guidelines; and
4. Mortgage tax exemption.

PROJECT APPLICATION:

Available for public inspection at the offices of the Erie County Industrial Development Agency, 275 Oak Street, Buffalo, New York 14203, (716) 856-6525 and at the offices of the Town Clerk of the Town of Amherst, Town Hall, 5583 Main Street, Amherst, New York 14221, (716)631-7045, Monday - Friday (Excluding Public Holidays) from 9:00a.m - 4:00p.m. Included with the application is (i) the completed application for a certificate of authority and documentation establishing the life care community council's approval of that application pursuant to Article 46 of the Public Health Law, and (ii) the financial feasibility study and the analysis of economic costs and benefits required by Article 46 of the Public Health Law.

That concludes the text of the published notice. Copies of the notice were also sent to the Erie County Executive, the Supervisor of the Town of Amherst and the Chief Executive Officer of the Williamsville Central School District on March 4, 2005.

The purpose of this hearing is to provide all interested parties with a reasonable opportunity, both orally and in writing, to present their views with respect to the Project.

This morning's session will extend for as long as reasonably necessary to hear everyone's comments.

A transcript of this hearing will be made. A copy of the transcript and copies of any written statements or comments filed with ECIDA will be available for public review during the normal business hours at the office of ECIDA, located at 275 Oak Street, Buffalo, New York 14203. Requests to review these materials should be made to the Executive Director of ECIDA. Should you wish, upon written request and payment of reproduction costs, a copy of the transcript will be furnished to anyone so requesting it.

All those in attendance are requested to register with me at the front of the room. If you have not already done so, please indicate if you desire to speak. You will not be permitted to speak unless you have registered. So that everyone has an opportunity to speak, I request that speakers keep their oral presentations to no more than five minutes, and I urge you to try to limit them to three minutes if at all possible.

Any speaker representing a public organization with a substantial number of members will be asked to register as such and, should you so request, that organization will be afforded ten minutes for its presentation.

I want to stress that there are no limitations of any kind on your submission of

written statements, comments or materials. If you wish to submit written statements, comments or materials, you can mail them or deliver them to ECIDA at 275 Oak Street, Buffalo, New York 14203.

The record of this hearing and the comment period will remain open until the close of business today, and ECIDA will consider all comments received up until such time.

Now, in order to ensure an accurate transcript and to enable all assembled today to hear your remarks, I ask that each speaker, when called, go to the other microphone in the front of the room. When you begin to speak, please state clearly your name and address. If you are appearing as a representative of an organization or governmental agency, please identify that organization or entity and state its address.

If you wish to submit a written statement or any other documents during this hearing, please register with me in the front of the room, and when you are called upon, hand the statement or document up to me so that I may be sure it is included in the record.

I want to remind you that there will be no questioning of ECIDA representatives today. You will have an opportunity to make your statements and comments about the proposed Project and they will be listened to. **Representatives of Episcopal Church Home & Affiliates Life Care Community, Inc./Canterbury Woods are here, and will attempt to respond to any questions raised by any speaker before the end of the hearing.**

I will now call upon those individuals who have indicated a desire to speak at today's hearing: Mr. John Pappano –

Good Morning Mr. Arnold. My name is John Pappano. I am an attorney with the firm Philips Lytle, with principal offices located at 3400 HSBC Center, Buffalo, NY.

Our firm represents the Episcopal Church Home in connection with this project and on behalf of the Episcopal Church Home we urge the ECIDA to approve this project all in connection with the application submitted by the Episcopal Church Home pursuant to a letter dated February 22, 2005 from Edward C. Weeks President/CEO of the Episcopal Church Home to David W. Kerchoff of the ECIDA.

The Episcopal Church Home believes this project is wonderful for the community. The expansion of phase II of the Canterbury Woods Project to be called Lexington Village will be a great benefit to the community. It will allow the elderly to remain in Western New York at a "State of the Art" life care facility. The project will create no additional burden on schools or police and will create new jobs and provide additional tax revenue for the town, county and the school district.

In the application we also urge the ECIDA to approve of the amended pilot schedule with respect to phase I of the project and the proposed pilot schedule of payments for the phase II project that we are discussing today.

At this point the record should reflect that there are no other speakers with respect to this project nor are there any objections, and if the ECIDA has any questions or comments we would be happy to entertain them at a future time.

Thank you for your time Mr. Arnold and again if there are any questions, feel free to contact my office.

There are **no further** speakers registered so this public hearing is now concluded.

Number of non-project related parties in attendance at the hearing - 0.



HURWITZ & FINE, P.C.

ATTORNEYS AT LAW

June 17, 2005

Erie County Industrial
Development Agency
275 Oak Street
Buffalo, New York 14203

KeyBank National Association
127 Public Square, 8th Floor
Cleveland, Ohio 44114

Episcopal Church Home & Affiliates
Life Care Community, Inc.
705 Renaissance Drive
Williamsville, New York 14221

RE: Erie County Industrial Development Agency
(2005 Episcopal Church Home & Affiliates Life Care Community, Inc. Project)

Ladies and Gentlemen:

The undersigned is counsel to the Erie County Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation organized and existing under the laws of the State of New York (the "Agency"), relating to the 2005 Episcopal Church Home & Affiliates Life Care Community, Inc. Project. As such we are familiar with the acts and proceedings heretofore had or taken by the Agency relative to the authorization, execution and delivery by the Agency of the Amendment to Lease Agreement dated as of June 1, 2005 (the "Lease Amendment") between the Agency and Episcopal Church Home & Affiliates Life Care Community, Inc., a not-for-profit corporation organized under the laws of the State of New York (the "Lessee"), the Amendment to Agreement for Payment in Lieu of Real Estate Taxes dated as of June 1, 2005 (the "PILOT Amendment") between the Agency and the Lessee, the Project Loan Mortgage, Assignment of Rents, Security Agreement and Fixture Filing dated June 17, 2005 (the "Project Loan Mortgage") from the Lessee and the Agency to KeyBank National Association (the "Lender"), and the Construction Loan Mortgage, Assignment of Rents,

Security Agreement and Fixture Filing dated June 17, 2005 ("Building Loan Mortgage") from the Lessee and the Agency to the Lender. The Lease Amendment, the PILOT Amendment, the Project Loan Mortgage and the Building Loan Mortgage may be referred to herein as the "Agency Documents".

The opinions set forth in this letter are based solely upon our review of the following:

- (a) the Agency Certificates of Establishment and Appointment of Members;
- (b) the Agency General Certificate;
- (c) the Agency By-Laws;
- (d) records of the Agency proceedings including notices of Agency meetings and public hearings, minutes of Agency meetings and Agency resolutions;
- (e) the Lease Amendment;
- (f) the PILOT Amendment;
- (g) the Mortgage;
- (h) the Lessee General Certificate;
- (i) the Certificate of Title numbered 2241.0-058-003 issued by Ticor Title Insurance Company with respect to the Project (the "Title Certificate");
- (j) the Survey dated May 3, 2005 by Clough Harbour & Associates LLP;
- (k) information received by us in discussions with the Agency as to matters we consider relevant to the opinions set forth in this letter;
- (l) review of the judgment lien and actions and proceedings records of the Erie County Clerk's Office and Buffalo City Court, Buffalo, New York and the dockets of the Clerk of the United States District Court and the Bankruptcy Court, for the Western District of New York with respect to the Agency; and
- (m) such review of published sources of law as we have deemed necessary based solely on the foregoing review.

We have made no inquiry or other investigation as to any factual matter other than as set forth above. In rendering this opinion, we have relied, as to factual matters, upon the documentation reviewed by us as set forth above, including but not limited to representations and warranties of the Lessee contained therein. In rendering this opinion, we have relied upon the opinion of Phillips, Lytle LLP, of even date herewith, as counsel to the Lessee as it relates to the

authorization, execution and delivery by the Lessee of certain documents.

The opinions set forth in this letter, whether or not qualified by the phrase "to our knowledge", are subject to the following qualifications:

I. We have assumed without any inquiry or other investigation (a) the legal capacity of each natural person other than individuals signing on behalf of the Agency, (b) the full power and authority of each person, other than the Agency, in connection with the Agency Documents, to execute, deliver and perform each document heretofore executed and delivered or hereinafter to be executed and delivered, (c) the due authorization, execution and delivery by each person other than the Agency in connection with the Agency Documents, of each document heretofore executed and delivered or hereafter to be executed and delivered by such person, (d) the legality, validity, binding effect and enforceability as to each person, other than the Agency, in connection with the Agency Documents, of each document heretofore executed and delivered or hereafter to be executed and delivered, (e) the payment of all required filing or recording fees and taxes, (f) no future modification of any provision of any document and no future waiver of any right or remedy, (g) the genuineness of each signature other than the signature of the Agency on the Agency Documents, (h) the completeness of each document submitted to us, the authenticity of each document submitted to us as an original, the conformity to the original of each document submitted to us as a copy and the authenticity of the original of each document submitted to us as a copy, (i) the truthfulness of each statement as to any factual matter contained in any of the documents reviewed by us, and (j) the accuracy on the date of this letter as well as on the date stated in any governmental certificate of each statement as to any factual matter contained in such governmental certificate.

II. Any opinion concerning the validity, binding effect or enforceability of any document (a) means that (i) such document constitutes and effective contract under applicable law, (ii) such document is not invalid in its entirety under applicable law because of a specific statutory prohibition or public policy and is not subject in its entirety to a contractual defense under applicable law and (iii) subject to the following sentence, and adequate remedy or remedies are available under applicable law if the person concerning whom such opinion is given is in material default under such document but (b) does not mean that (i) any particular remedy is available under applicable law upon such material default or (ii) every provision of such document will be upheld or enforced in any or each circumstance by a court applying applicable law. Furthermore, the validity, binding effect or enforceability of any document may be limited or otherwise affected by (a) any bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar statute, rule, regulation or other law affecting the enforcement of creditors' rights and remedies generally or (b) the unavailability of, or any limitation on the availability of, any particular right or remedy (whether in a proceeding in equity or at law) because of the discretion of a court or because of any equitable principle or requirement as to commercial reasonableness, conscionability or good faith.

III. We express no opinion on the application or effect of any environmental laws (including, without limitation, the provisions of the Environmental Conservation Law of the State of New York), ordinances, rules, regulations or other requirements of any governmental authority with respect to this transaction, or the potential liability thereunder, or the existence of any environmental hazards relating to this transaction, and specifically note that we have not

conducted any independent review with respect to such matter.

IV. We do not express any opinion concerning any law other than the law of New York and the federal law of the United States of America.

Subject to the foregoing qualifications, we are of the opinion that:

1. The Agency Documents have been duly authorized, executed and delivered by the Agency and each constitute a valid and binding agreement of the Agency, enforceable against the Agency in accordance with their respective terms.

2. There is no action, suit, proceeding or investigation at law or in equity by or before any court, public board or body, pending, or, to the best of our knowledge, threatened against or affecting the Agency, or to the best of our knowledge any basis for such action, suit, proceeding or investigation, wherein an unfavorable decision, ruling or finding would affect the transaction contemplated by the Agency Documents or the validity or enforceability of the Agency Documents.

No opinion is expressed as to any matters of title regarding the Project, and we have assumed with your permission, that the Agency has good and insurable title thereto. Attention is called to the fact that we have not been requested to examine and have not examined any documents or information relating to the Lessee, or any other party, and no opinion is expressed as to any financial or other information, or the adequacy thereof, which has been or may be supplied by the Lessee or any other party.

Counsel to the Lessee and the Lender may rely on this opinion as if it were addressed specifically to them.

Very truly yours,

Hamitz! For Dr

EPISCOPAL CHURCH HOME & AFFILIATES LIFE CARE COMMUNITY, INC.

LESSEE GENERAL CERTIFICATE

THE UNDERSIGNED DOES HEREBY CERTIFY that (s)he is the Secretary of Episcopal Church Home & Affiliates Life Care Community, Inc., a not-for-profit corporation organized under the laws of the State of New York (the "Lessee"), and that as such officer (s)he is authorized to execute and deliver this certificate in the name of and on behalf of the Lessee. Such officer hereby further certifies on behalf of the Lessee that:

1. This Certificate is being delivered in Buffalo, New York on June 12, 2005 the "Closing Date"). The terms used in this Certificate, if not defined herein, have the meanings specified in that certain Lease Agreement dated as of February 1, 1998 between the Erie County Industrial Development Agency (the "Agency") and the Lessee, as amended by that certain Amendment to Lease Agreement (the "Lease Amendment") dated as of June 1, 2005 between the Agency and the Lessee.

2. The Lessee is duly incorporated, validly existing under the laws of the State of New York and is qualified to do business and is in good standing in the State of New York.

3. The Lease Amendment, the Environmental Compliance Agreement, the Amendment to Agreement for Payment in Lieu of Real Estate Taxes dated as of June 1, 2005 between the Agency and the Lessee, the KeyBank Mortgage, and any and all other agreements and documents required to be executed and delivered by the Lessee in order to carry out, give effect to and consummate the transactions contemplated by the Lease Amendment (collectively, the "Lessee Documents") have been duly executed and delivered by the Lessee and have not been amended, modified or rescinded, remain in full force and effect and are the binding and enforceable obligations of the Lessee enforceable in accordance with their terms, except as such enforceability may be limited by applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally.

4. The representations and warranties of the Lessee contained in the Lessee Documents are true, complete and correct and in full force and effect as of the Closing Date, with the same effect as if those representations and warranties were made on and as of the Closing Date.

5. There is no action or proceeding pending or, to our best knowledge, threatened, looking toward the dissolution or liquidation of the Lessee, and there is no action or proceeding pending or, to our best knowledge, threatened, by or against the Lessee affecting the validity or enforceability of the Lessee Documents.

6. Attached hereto as Exhibit A is a true, correct and complete copy of the Certificate of Incorporation, as amended, of the Lessee, which Certificate of Incorporation is in full force and effect on and as of the Closing Date, without modification or amendment in any respect.

7. Attached hereto as Exhibit B is a true, correct and complete copy of the By-Laws of the Lessee, which By-Laws are in full force and effect on and as of the Closing Date, without modification or amendment in any respect.

8. Attached hereto as Exhibit C is a true, correct and complete copy of the resolutions adopted by the Board of Directors of the Lessee on June 10, 2005 at which a quorum was present and acting throughout and such resolutions are in full force and effect on and as of the Closing Date, not having been amended, altered or repealed.

9. Attached hereto as Exhibit D is a true, correct and complete copy of the Certificate of the Secretary of State of New York State that the Lessee is in Good Standing in the State.

10. Attached hereto as Exhibit E is a true, correct and complete copy of evidence that the Lessee is exempt from taxation under IRC §501(c)(3).

11. Attached hereto as Exhibit F is a true, correct and complete copy of each of the Amended Certificate of Authority and Amended Certificate of Authorization for the Project issued pursuant to Article 46 of the Public Health Law, which are in full force and effect on the date hereof.

12. Attached to the Record of Proceedings are true and correct copies of those certificates of insurance evidencing the compliance by the Lessee with the insurance requirements set forth in the Lessee Documents.

13. The Lessee Documents have been duly authorized, executed and delivered in the name of and on behalf of the Lessee by an officer duly authorized to do so, and such person is on and as of the date hereof a duly elected, qualified and acting officer of the Lessee holding the office set forth below opposite his name and that the signature appearing opposite the name of such person is his genuine signature.

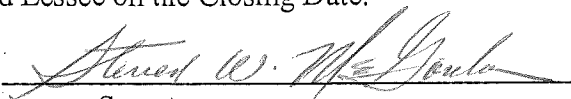
Name and Title

Signature

Edward C. Weeks, President/CEO



IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate in the name of and on behalf of said Lessee on the Closing Date.



Secretary

EXHIBIT A

Certificate of Incorporation

F-12

CERTIFICATE OF INCORPORATION

OF F 950706000564 E-1

EPISCOPAL CHURCH HOME &
AFFILIATES LIFE CARE COMMUNITY, INC.

Under Section 402 of the Not-For-Profit Corporation Law

THE UNDERSIGNED, being eighteen (18) years of age or over, for the purpose of forming a corporation pursuant to Section 402 of the Not-for-Profit Corporation Law of New York, does hereby certify:

FIRST: The name of the corporation is: Episcopal Church Home & Affiliates Life Care Community, Inc. (the "corporation").

SECOND: The corporation is a corporation as defined in subparagraph (a) (5) of Section 102 of the Not-for-Profit Corporation Law.

THIRD: The corporation is organized, and at all times shall be operated exclusively for charitable, religious, scientific, or educational purposes. Consistent with the foregoing, the specific purposes of the corporation shall be:

(a) To meet the special housing needs of elderly persons by planning, developing, organizing, constructing, acquiring, altering, reconstructing, rehabilitating, owning, operating and maintaining housing for elderly individuals and families in order to promote their general welfare by providing them with safe, sanitary and independent living facilities;

(b) To establish, construct, operate and maintain, on a not-for-profit basis, a life care

/

community as defined in Article 46 of the Public Health Law of the State of New York; and

(c) To do any other act or thing incidental to or connected with the foregoing purposes or in advancement thereof; provided, however, that nothing contained in this Certificate shall authorize the corporation to establish, operate, construct, lease or maintain a hospital, or to provide hospital service [or health related service], or to operate a certified home health agency, or hospice, or a health maintenance organization, or to provide a comprehensive health services plan, as defined in and covered by Articles 28, 36, 40 and 44, respectively, of the Public Health Law, or to solicit, collect or otherwise raise or obtain any funds, contributions or grants from any source, for the establishment or operation of any hospital.

Notwithstanding the foregoing, the corporation shall not and will not operate a life care community or solicit, collect or receive priority reservation fees or enter into priority reservation agreements without first obtaining the appropriate approvals required pursuant to Article 46 of the New York Public Health Law.

For this purpose the corporation shall seek, receive, hold, maintain, invest, and reinvest money and other real and personal property from time to time as the board of directors may deem prudent.

FOURTH: The following provisions are inserted for the regulation and conduct of the affairs of the corporation:

To have and exercise any and all powers, rights and privileges which a corporation organized under the Not-for-Profit

2

Corporation Law of the State of New York may now or hereafter have or exercise by law; provided, however, that:

(A) No part of the net earnings of the corporation shall inure to the benefit of any trustee, director, officer of the corporation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the corporation), and no trustee, officer of the corporation or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the corporation.

(B) No part of the activities of the corporation shall consist of carrying on propaganda or otherwise attempting to influence legislation; nor shall it in any manner participate or intervene (including the publication or distribution of statements) in any political campaign on behalf of any candidate for public office; nor shall it engage in any transaction defined as "prohibited" under Section 503 of the Internal Revenue Code of 1986, as amended (the "Code").

(C) Notwithstanding any other provision of this Certificate, the corporation is organized exclusively for one or more of the following purposes: religious, charitable, scientific or education purposes, or for the prevention of cruelty to children or animals as specified in Section 501(c)(3) of the Code and shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from taxation under Section 501(c)(3) of the Code and by an organization, contributions to which are deductible under the Code.

(D) In the event of termination, dissolution, or winding up of the corporation, its remaining assets, if any, shall be distributed only to one or more organizations described in Section 501(c)(3) of the Code. None of the income, property or assets of the corporation shall ever be distributed to or divided among any officer, director, trustee, creator, organizer of or contributor to the corporation, nor ever be used for or inure to the benefit of any private individual within the meaning of Section 501(c)(3) of the Code.

(E) Notwithstanding any other provision of this Certificate, if at any time or times the corporation is a private foundation within the meaning of Section 509 of the Code, then during such time or times:

(1) The corporation shall distribute its income for each taxable year at such time and in such manner as not to subject the corporation to tax under Section 4942 of the Code;

(2) The corporation shall not engage in any act of self-dealing, as defined in Section 4941(d) of the Code;

(3) The corporation shall not retain any excess business holdings, as defined in Section 4943(c) of the Code;

(4) The corporation shall not make any investments in such a manner as to subject the corporation to tax under Section 4944 of the Code; and

(5) The corporation shall not make any taxable expenditures as defined in Section 4945(d) of the Code.

(F) Any references herein to any provision of the Internal Revenue Code of 1986 shall be deemed to mean such provision as now or hereafter existing, amended or superseded, as the case may be.

FIFTH: The management of the affairs of the corporation shall be vested in the board of directors, except as otherwise provided in this certificate of incorporation or in the by-laws of the corporation.

The number of directors constituting the board of directors shall be five (5) in number or such other number as may be fixed in the by-laws by action of the board, and each director must be at least eighteen (18) years of age.

SIXTH: The corporation shall be a Type B corporation under Section 201 of the Not-for-Profit Corporation Law.

SEVENTH: The office of the corporation is to be located in Erie County, New York.

EIGHTH: The names and addresses of the persons constituting the initial board of directors of the corporation are:

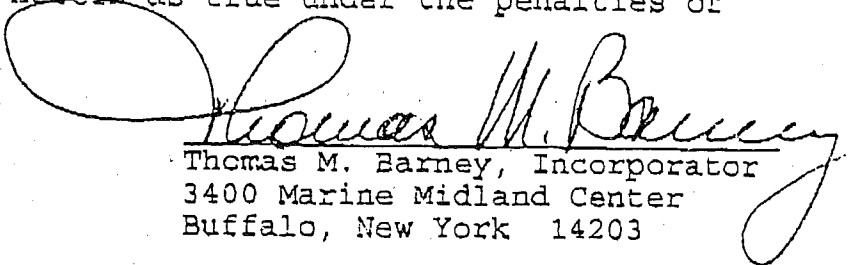
<u>Name</u>	<u>Address</u>
B. Mason Bowen	Gurney, Becker & Bourne 700 Main-Seneca Building 237 Main Street Buffalo, New York 14203
Thomas D. Lunt	Smith Barney M & T Center 3 Fountain Plaza Suite 800 Buffalo, New York 14203
Mrs. L. Woodrow Porter	38 Kingsgate Road Snyder, New York 14226
Howard F. Gondree	1904 Liberty Bank Building Buffalo, New York 14202
H. Ernest Montgomery, II	D. V. Brown & Associates, Inc. 567 Vickers Street Tonawanda, New York 14150-2586

NINTH: If in the judgment of the board of directors the corporation should be dissolved, then the property constituting the endowment fund and any income shall be transferred to Episcopal Church Home of Western New York, Inc. and its affiliated corporations or their successors, so long as

they are organizations described in Sections 501(c)(3) of the Code. No provision contained herein shall be construed to authorize the payment or application of income of the corporation or distribution of the property constituting the principal of the endowment fund to or for the support of any organization or individual whose activities or purposes are not charitable in nature, as described in Sections 170 and 501(c)(3) of the Code.

TENTH: The Secretary of State of the State of New York is designated as the agent of the corporation upon whom process against the corporation may be served, and the post office address to which the Secretary of State shall mail a copy of any such process served upon him is: Phillips, Lytle, Hitchcock, Blaine & Huber, 3400 Marine Midland Center, Buffalo, New York 14203.

IN WITNESS WHEREOF, I have made and signed this certificate this 21st day of April, 1995, and I affirm the statements contained herein as true under the penalties of perjury.


Thomas M. Barney, Incorporator
3400 Marine Midland Center
Buffalo, New York 14203

6



State of New York
Department of Health
Corning Tower
Albany, New York 12237
(518) 474-8841

Life Care Community Council

July 5, 1995

Thomas Barney, Esq.
Phillips, Lytle, Hitchcock, Blaine & Huber
3400 Marine Midland Center
Buffalo, New York 14203

Re: Episcopal Church Home and Affiliates
Life Care Community, Inc.

Dear Mr. Barney

This is in response to your request for the consent of the Department of Health for the filing with the Secretary of State of the Certificate of Incorporation of Episcopal Church Home and Affiliates Life Care Community, Inc.

The proposed Certificate of Incorporation of Episcopal Church Home and Affiliates Life Care Community, Inc. dated April 21, 1995, has been reviewed by Department of Health staff.

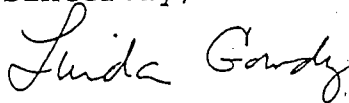
Although neither the Public Health Law nor the Not-for-Profit Corporation Law requires the formal approval by the Department of Health, the Life Care Community Council or the Commissioner of Health for the filing of the subject Certificate of Incorporation, the Certificate is acceptable to us and we do not object to the original Certificate being filed with the Secretary of State at this time. You may submit this letter together with the executed original Certificate of Incorporation at the time you file such Certificate with the Secretary of State.

This letter is not to be construed as approval to operate a life care community or to solicit prior reservation fees or to enter into priority reservation agreements. In order to engage in any activities regulated under Article 46 of the Public Health Law, the Corporation must first obtain all appropriate written consents, approvals or authorizations as required under Article 46.

7

The Corporation's purposes as set forth in the Certificate do not authorize the Corporation to operate a residential health care facility under Article 28 of the Public Health Law. In order to cover the operation of a residential health care facility, the Corporation's purposes would need to be amended appropriately and the formal approval of the Public Health Council obtained.

Sincerely,



Linda Gowdy
Chairman
Life Care Community Council

F 950706000561

CERTIFICATE OF INCORPORATION

OF

EPISCOPAL CHURCH HOME &
AFFILIATES LIFE CARE COMMUNITY, INC.

Under Section 402 of the Not-For-Profit Corporation Law

Filer:

Phillips Lytle Hitchcock
Blaine & Huber
3400 Marine Midland Center
Buffalo, NY 14203

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BILLED

ICC

STATE OF NEW YORK
DEPARTMENT OF STATE

FILED JUL 06 1995

TAX \$

BY

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Erie

Mrk-type B

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FILING RECEIPT

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ENTITY NAME: EPISCOPAL CHURCH HOME & AFFILIATES LIFE CARE COMMUNITY, INC.

DOCUMENT TYPE: AMENDMENT (DOMESTIC NFP)
PURPOSES PROCESS

COUNTY: ERIE

SERVICE COMPANY: CAPITOL SERVICES, INC.

SERVICE CODE: 01

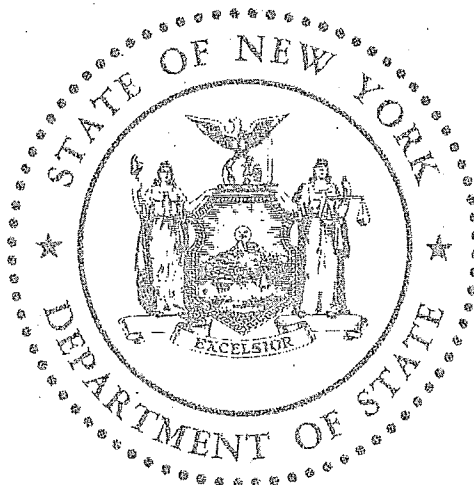
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FILED: 11/12/1999 DURATION: ***** CASH#: 991112000998 FILM #: 991112000932

ADDRESS FOR PROCESS

C/O PHILLIPS LYTTLE HITCHCOCK BLAINE & HUBER
3400 MARINE MIDLAND CENTER
BUFFALO, NY 14203

REGISTERED AGENT

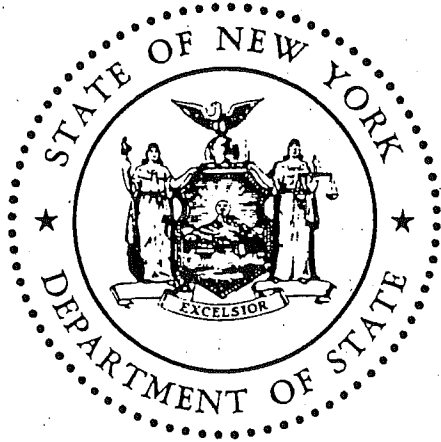


FILER	FEES		PAYMENTS	
-----	-----	55.00		55.00
PHILLIPS LYTTLE HITCHCOCK ETAL	FILING	30.00	CASH	0.00
3400 HSBC CENTER	TAX	0.00	CHECK	0.00
BUFFALO, NY 14203	CERT	0.00	CHARGE	0.00
	COPIES	0.00	DRAWDOWN	55.00
	HANDLING	25.00	BILLED	0.00
			REFUND	0.00

State of New York }
Department of State } ^{ss:}

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.

Witness my hand and seal of the Department of State on DEC 06 1999



A handwritten signature in cursive script, appearing to read "J. L. ...", followed by a horizontal line.

Special Deputy Secretary of State

CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION
OF

EPISCOPAL CHURCH HOME &
AFFILIATES LIFE CARE COMMUNITY, INC.
Under Section 803 of the Not-for-Profit Corporation Law

CSI-01

991112000832

We, the undersigned, being the President and Secretary
of Episcopal Church Home & Affiliates Life Care Community, Inc.,
do hereby certify:

1. The name of the corporation is Episcopal Church Home & Affiliates Life Care Community, Inc.
2. Its Certificate of Incorporation was filed by the Department of State on July 6, 1995 under the Not-For-Profit Corporation Law.
3. The corporation is a corporation as defined in paragraph (a) (5) of Section 102 of the Not-For-Profit Corporation Law and is and shall remain a Type B corporation under Section 201 of said law.
4. The purposes section (Paragraph THIRD) of the Certificate of Incorporation is hereby amended as follows:

(1) To delete from the exclusionary language of Section (c) (lines 6 and 7) the words "or health related service" and the reference to Article 28 (line 11) to read as follows:

- (c) to do any other act or thing incidental to or connected with the foregoing purposes or in advancement thereof; provided, however, that nothing contained in this Certificate shall authorize the corporation to establish, operate, construct, lease or maintain a hospital, or to provide hospital service, or to operate a certified home health agency, or hospice, or a health maintenance organization, or to provide a comprehensive health services plan, as defined in and covered by Articles 36, 40 and 44, respectively, of the Public Health Law, or to solicit, collect or otherwise raise or obtain any funds, contributions or grants from any source, for the establishment or operation of any hospital.

(3) To add a new section (d) which shall read as follows:

(d) To operate a residential health care facility as such term is defined in Article 28 of the Public Health Law and to operate an enriched housing facility as defined in Article 7 (Residential Care Programs for Adults and Children, Sections 450 and 451) of the Social Services Law.

5. The amendment of the Certificate of Incorporation was authorized by unanimous written consent of the Board of Directors, there being no members entitled to vote thereon.

6. The Secretary of State is designated as agent of the corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the corporation served upon him is: c/o Phillips, Lytle, Mitchell, Elaine & Kuber, 1400 Marine Midland Center, Buffalo, New York 14203.

IN WITNESS WHEREOF, the undersigned have executed this Certificate this 11th day of April, 1986, and they affirm the statements contained herein as true under penalties of perjury.


Robert C. Wicks, President


Dorothy Porter, Secretary

4/11/86
10:01



STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL

ELIOT SPITZER
Attorney General

REGIONAL OFFICE DIVISION
BUFFALO REGIONAL OFFICE

November 2, 1999

Telephone: (716) 853-8480

Janice S. Kowalczyk, Esq.
Phillips, Lytle, Hitchcock, Blaine & Huber LLP
3400 HSBC Center
Buffalo, NY 14203

Re: Episcopal Church Home & Affiliates Life Care Community, Inc.
Proposed Certificate of Amendment

Dear Ms. Kowalczyk:

This letter will confirm receipt of a copy of the proposed certificate of amendment of the certificate of incorporation of the above-referenced not-for-profit corporation.

Please be advised that the Attorney General has no objection to Episcopal Church Home & Affiliates Life Care Community, Inc. filing its certificate of incorporation upon judicial approval with the Secretary of State.

Kindly provide this office with a copy of the judicially approved certificate of amendment and with proof of its filing with the Secretary of State so that we may complete our file. If you have any questions please feel free to contact me at the above number.

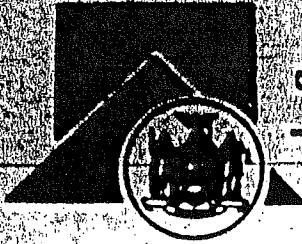
Thank you for your cooperation in this matter.

Very truly yours,

WILLIAM D. MALDOVAN
Assistant Attorney General

WDM:sam

3



STATE OF NEW YORK
DEPARTMENT OF HEALTH
CORNING TOWER BUILDING
ALBANY, N.Y. 12237

PUBLIC HEALTH COUNCIL

September 2, 1999

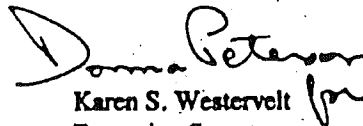
Mr. Edwards C. Weeks
President and CEO
Episcopal Church Home & Affiliates
Life Care Community, Inc.
24 Rhode Island Street
Buffalo, New York 14213-2197

Re: Certificate of Amendment of the Certificate of Incorporation of Episcopal Church
Home & Affiliates Life Care Community

Dear Mr. Weeks:

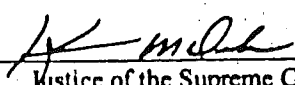
AFTER INQUIRY and INVESTIGATION and in accordance with action taken at a meeting of the Public Health Council held on the 14th day of April, 1996, I hereby certify that the Public Health Council consents to the filing of the Certificate of Amendment to the Certificate of Incorporation of Episcopal Church Home & Affiliates Life Care Community, dated April 24, 1996.

Sincerely,


Karen S. Westervelt
Executive Secretary

4

I, Kevin M. Dillon, a Justice of the Supreme Court of the State of New York, in
and for the Eighth Judicial District, in which the office of Episcopal Church Home & Affiliates
Life Care Community, Inc., do hereby approve the foregoing Certificate of Amendment of such
Corporation and consent that it be filed.


Justice of the Supreme Court
of the State of New York

Dated: November 5, 1999
Buffalo, New York

BFLO Doc # 939626 1

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F 991112000 932

CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION
OF

RECEIVED
NOV 12 12 30 PM '99

EPISCOPAL CHURCH HOME & AFFILIATES LIFE CARE
COMMUNITY, INC.

Under Section 803 of the Not-For-Profit Corporation Law

RE

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED NOV 12 1999
FAX S
BY: *RE*

ERIE

Phillips, Lytle, Hitchcock, Blaine & Huber LLP
1400 HSBC Center
Buffalo, New York 14203

60

991112000998

EXHIBIT B

By-Laws

B Y - L A W S

OF

EPISCOPAL CHURCH HOME & AFFILIATES
LIFE CARE COMMUNITY, INC.

ARTICLE I

Membership

Section 1. No Members. Episcopal Church Home & Affiliates Life Care Community, Inc. (hereinafter called the "Corporation") is a type B not-for-profit corporation without members.

ARTICLE II

Directors

Section 1. Number and Qualifications. The board of directors shall initially be composed of five (5) directors. Additional directors may be elected to the board of directors by the directors then in office. The number of directors may be increased to a maximum of twenty-five (25) directors or decreased to such number, not less than seven (7), by the board of directors at any time by a majority vote of the entire board. No decrease in the number of directors shall shorten the term of any incumbent director. Any vacancy created by an increase in the number of directors shall be filled as provided in Section 5 hereof. Directors must be at least eighteen years of age.

Section 2. Election and Tenure. The directors of the Corporation, except as otherwise provided by law or these by-

laws, shall be elected by a plurality of the votes cast at the annual meeting of directors or at any meeting held in lieu of such annual meeting (which meeting, for the purposes of these by-laws, shall be deemed the annual meeting) and shall hold office until the next annual meeting of directors and until their successors are elected and have qualified.

Section 3. Resignation. Any director of the Corporation may resign at any time by giving his resignation to any officer of the Corporation. Unless otherwise specified therein, the acceptance of a resignation shall not be necessary to make it effective.

Section 4. Removal. Any or all of the directors may be removed, either with or without cause, by vote in person or by proxy of at least two-thirds of the directors present at any meeting, provided that the proposed action was deferred to in the notice for such meeting.

Section 5. Newly Created Directorships and Vacancies. Newly created directorships resulting from an increase in the number of directors, and vacancies occurring in the board for any reason except the removal of directors without cause, may be filled by vote of a majority of the directors then in office, although less than a quorum exists. A director elected to fill a vacancy shall be elected to hold office for the unexpired term of his predecessor.

Section 6. Compensation. No director as such shall receive any compensation, either by way of salary, fees for

attendance at meetings, or otherwise, or shall be reimbursed for his expenses, except pursuant to authorization of the board of directors. This section shall not preclude any director from serving the Corporation in any other capacity or from receiving compensation for such services and reimbursement for his related expenses.

Section 7. Meetings of Directors. Meetings of the board of directors shall be held at such times and at such places as may be determined by action of the board of directors or in the absence of such action by any two directors, the chairman of the board or the president pursuant to such notice as is required by Section 8 hereof.

Section 8. Notice of Meetings of Board of Directors. Notice of the time and place of each meeting of the board of directors shall be given by the chairman of the board, the president or the secretary, or by the two members of the board calling the same to each member of the board not less than three (3) days before the meeting by mailing the notice, postage prepaid, addressed, to each member of the board at his residence or usual place of business, or not less than one (1) day before the meeting by delivering the notice to each member of the board personally, or by telephone. Notice of a meeting of the board of directors or a committee thereof need not be given to any director who submits a signed waiver of notice, whether before or after the meeting. The attendance of any director at a meeting of the board or a committee thereof without protesting prior

thereto or at its commencement the lack of notice to him shall constitute a waiver of notice by him. The meeting shall be duly called and held if notice is given to, or is waived by, all absent directors.

Section 9. Quorum. At all meetings of the board of directors, except as otherwise provided by law, the certificate of incorporation or these by-laws, a quorum shall be required for the transaction of business and shall consist of not less than a majority of the entire board, and the vote of a majority of the directors present shall decide any question that may come before the meeting. A majority of the directors present at any meeting, although less than a quorum, may adjourn the same from time to time, without notice other than announcement at the meeting.

Section 10. Procedure. The order of business and all other matters of procedure at every meeting of directors may be determined by the presiding officer.

Section 11. Committees of the Board. The board of directors may, by resolution or resolutions adopted by a majority of the entire board, designate from among its members one or more committees, each consisting of three or more directors, and each of which, to the extent provided by the applicable resolution, shall have all of the authority of the board of directors, except insofar as its exercise of authority may be inconsistent with any provision of law, the certificate of incorporation or these by-laws. The board may designate one or more directors as alternate members of a committee, who may replace any absent member or

members at any meeting of such committee. The committees shall keep regular minutes of their proceedings and make the same available to the board upon request.

Section 12. Annual Report. The board of directors shall keep a fair record of all of the transactions of the Corporation, a report of which, prepared in accordance with the provisions of the Not-For-Profit Corporation Law, shall be presented at each annual meeting of the directors of the Corporation. The report shall be filed in the Corporation's records and a copy of the report shall be entered in the minutes of the proceedings of the annual meeting of directors.

Section 13. Action Without a Meeting. Any action required or permitted to be taken by the board of directors or any committee thereof may be taken without a meeting if all members of the board or the committee consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents thereto shall be filed with the minutes of the proceedings of the board or the committee.

Section 14. Meetings by Conference Telephone. Any one or more members of the board of directors or any committee thereof may participate in a meeting of such board or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

ARTICLE III

Officers

Section 1. Officers. The officers of the Corporation shall be elected by the board of directors and may include: a president, a secretary, a treasurer, and such additional officers as the board may deem desirable, such as chairman of the board and one or more vice presidents. Such additional officers shall exercise such powers and perform such duties as usually pertain to their respective offices or as are properly delegated or assigned to them from time to time by the board of directors.

Section 2. Term of Office. The officers of the Corporation, unless otherwise determined by the directors, shall hold office until their successors are elected and have qualified. Any officer may be removed at any time with or without cause by the board of directors. Vacancies in any office shall be filled by the board of directors.

Section 3. The President. The president shall be the chief administrative officer of the Corporation and shall have the general powers and duties of supervision and management of the Corporation. He shall preside at meetings of the board of directors and perform all such other duties as usually pertain to his office or are properly required by the board of directors.

Section 4. The Secretary and Assistant Secretaries. The secretary shall issue notices of all meetings of directors where notices of such meetings are required by law or these by-

laws. He shall attend all meetings of the board of directors and keep the minutes thereof. He shall affix the corporate seal to and sign such instruments as require the seal or his signature and shall perform such other duties as usually pertain to his office or as are properly required of him by the board of directors.

The assistant secretaries, if any, may, in the absence or disability of the secretary, or at his request, perform the duties and exercise the powers of the secretary, and shall perform such other duties as the board of directors shall prescribe.

Section 5. The Treasurer and Assistant Treasurers.

The treasurer shall have the care and custody of all moneys and securities of the Corporation. He shall keep full and accurate accounts of all the moneys received by him and paid by him on account of the Corporation. He shall make and sign such reports, statements and instruments as may be required of him by the board of directors or by the laws of the United States or of any state in which the Corporation operates, and shall perform such other duties as usually pertain to his office or as are properly required of him by the board of directors.

The assistant treasurers, if any, may, in the absence or disability of the treasurer, or at his request, perform the duties and exercise the powers of the treasurer and shall perform such other duties as the board of directors shall prescribe.

Section 6. Officers Holding Two or More Offices. Any two or more of the above-mentioned offices, except those of president and secretary, may be held by the same person, but no officer shall execute or verify any instrument in more than one capacity if such instrument is required by law or otherwise to be executed or verified by two or more officers.

Section 7. Temporary Transfer of Powers and Duties. In case of the absence or illness of any officer of the Corporation, or for any other reason that the board of directors may deem sufficient, the board of directors may delegate and assign, for the time being, the powers and duties of any officer to any other officer or to any director.

Section 8. Compensation. The compensation of all officers shall be fixed by the board of directors or a committee thereof. The compensation of other employees shall be fixed by the president or other officers or employees, subject to any limitations prescribed by the board of directors or a committee thereof.

ARTICLE IV

Indemnification

The corporation shall indemnify each person made or threatened to be made a party to any action or proceeding, whether civil or criminal, by reason of the fact that such person or such person's testator or intestate is or was a director or officer of the Corporation, or, while a director or officer,

serves or served, at the request of the Corporation, any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity, against judgments, fines, penalties, amounts paid in settlement and reasonable expenses, including attorneys' fees, incurred in connection with such action or proceeding, or any appeal therein, provided that no such indemnification shall be made if a judgment or other final adjudication adverse to such person establishes that his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled, and provided further that no such indemnification shall be required with respect to any settlement or other nonadjudicated disposition of any threatened or pending action or proceeding unless the Corporation has given its prior consent to such settlement or other disposition.

The Corporation shall advance or promptly reimburse upon request any director or officer seeking indemnification hereunder for all expenses, including attorneys' fees, reasonably incurred in defending any action or proceeding in advance of the final disposition thereof upon receipt of an undertaking by or on behalf of such person to repay such amount if such person is ultimately found not to be entitled to indemnification or, where indemnification is granted, to the extent the expenses so

advanced or reimbursed exceed the amount to which such person is entitled.

This Article shall be given retroactive effect and the full benefits hereof shall be available in respect of any alleged or actual occurrences, acts, or failures to act prior to the date of the adoption of this Article. The right to indemnification or advancement of expenses under this Article shall be a contract right.

ARTICLE V

Miscellaneous

Section 1. Form of Seal. The seal of the Corporation shall be in such form as the directors shall determine.

Section 2. Fiscal Year. The fiscal year of the Corporation shall be the calendar year unless otherwise provided by the board of directors.

Section 3. Amendment. These by-laws may be added to, amended or repealed either by an affirmative vote of at least two-thirds of the directors present at any regular meeting or at any special meeting, if at least seven (7) days' written notice is given of intention to add to, amend, alter or repeal at such meeting.

EXHIBIT C

Resolutions

**RESOLUTIONS
OF THE BOARD OF DIRECTORS
OF EPISCOPAL CHURCH HOME & AFFILIATES
LIFE CARE COMMUNITY, INC.**

WHEREAS, Episcopal Church Home & Affiliates Life Care Community, Inc. ("Corporation") has entered into negotiations for the construction and equipping of forty (40) cottage homes (approximately 1500-2500 square feet each) and a clubhouse (approximately 3575 square feet) to be known as Lexington Village (Phase II of Canterbury Woods) and related structures, site improvements, and infrastructure, and acquisition and installation of related machinery and equipment, to be located on approximately 17.5± acres of land at 601-681 Renaissance Drive, Amherst, New York ("New Facility"), which New Facility is a portion of the 62± acre site known as Canterbury Woods ("Project");

WHEREAS, the Erie County Industrial Development Agency ("Agency") is established under Article 18-A of the New York General Municipal Law ("Act");

WHEREAS, the Agency already has fee title to the Project, and leases same to the Corporation pursuant to a lease dated as of February 1, 1998 ("Lease");

WHEREAS, in accordance with the Act the Agency adopted a resolution on June 13, 2005 describing and authorizing the Project and the financial assistance then contemplated by the Agency; and

WHEREAS, it is contemplated that KeyBank National Association ("Bank") will advance the proceeds of construction and project loans to the Corporation to enable it to construct the New Facility.

NOW, THEREFORE, be it resolved, that the proper officers of the Corporation are, and each of them acting alone is, hereby authorized on behalf of the Corporation to complete the New Facility;

RESOLVED FURTHER, that the proper officers of the Corporation are, and each of them acting alone is, hereby authorized on behalf of the Corporation to convey any equipment and other property to the Agency and enter into a lease with the Agency for such equipment and other property;

RESOLVED FURTHER, that the proper officers of the Corporation are, and each of them acting alone is, hereby authorized on behalf of the Corporation to enter into an amendment to the Lease, and an amendment to the existing PILOT agreement covering the entire Project;

RESOLVED FURTHER, that the proper officers of the Corporation are, and each of them acting alone is, hereby authorized on behalf of the Corporation to grant to the Bank a parity security interest in the Corporation's personal property, as described in the security agreement ("Security Agreement") and all proceeds thereof, and to execute appropriate financing statements and other documents as deemed necessary by the Bank to perfect such security interest, as continuing collateral security for the payment of the indebtedness and liabilities, now or hereafter existing, of the Corporation incurred in connection with the transactions contemplated by the Bank Documents (as defined in the Security Agreement);

RESOLVED FURTHER, that the proper officers of the Corporation are, and each of them acting alone is, hereby authorized on behalf of the Corporation to execute and deliver to the Bank one or more parity mortgages, security agreements, and assignments of leases and rents, and loan agreements, covering the Project and the equipment and fixtures now or hereafter owned by the Corporation as security for the payment of all indebtedness and liabilities of the Corporation, whether now or hereafter existing, in connection with the transactions contemplated by the Bank Documents, to the extent of the maximum principal amount of \$13,530,000;

RESOLVED FURTHER, that the proper officers of the Corporation are, and each of them acting alone is, hereby authorized on behalf of the Corporation to execute and deliver to the Agency, the Bank, or any other party such other documents and do any and all other acts necessary or appropriate in furtherance of the Project and the New Facility and to effectuate the purposes of these resolutions including, without limitation, executing and delivering to any such party any subsequent amendments, extensions or renewals of any of the documents or agreements or instruments contemplated by these resolutions, which any of such persons deems necessary or appropriate;

RESOLVED FURTHER, that any and all documents heretofore executed and acts heretofore done in connection with any arrangements with the Agency, the Bank or otherwise in furtherance of the Project and the New Facility or to effectuate the purposes of these resolutions are hereby in all respects ratified and confirmed;

RESOLVED FURTHER, that each of the foregoing documents mentioned in these resolutions is in such form and content as the officer of the Corporation executing them shall approve, his approval to be conclusively evidenced by his execution thereof; and

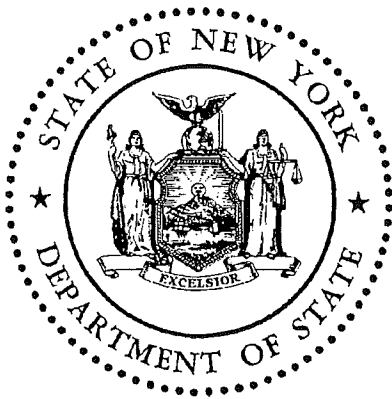
RESOLVED FURTHER, that the President and the Vice President/Chief Financial Officer, or either of them acting alone, are hereby designated the proper officers of the Corporation for the purposes of these resolutions.

EXHIBIT D

Good Standing Certificate

State of New York
Department of State } ss:

I hereby certify, that the Certificate of Incorporation of EPISCOPAL CHURCH HOME & AFFILIATES LIFE CARE COMMUNITY, INC. was filed on 07/06/1995, as a Not-for-Profit Corporation and that a diligent examination has been made of the Corporate index for documents filed with this Department for a certificate, order, or record of a dissolution, and upon such examination, no such certificate, order or record has been found, and that so far as indicated by the records of this Department, such corporation is an existing corporation.



*Witness my hand and the official seal
of the Department of State at the City
of Albany, this 13th day of June
two thousand and five.*

A handwritten signature in black ink, appearing to read "R. A. DeS...".

Secretary of State

EXHIBIT E

IRC §501(c)(3) Evidence

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date:

OCT 23 2000

EPISCOPAL CHURCH HOME & AFFILIATES
LIFE CARE COMMUNITY INC
24 RHODE ISLAND ST
BUFFALO, NY 14213-2142

Employer Identification Number:

16-1490676

DLN:

100280128

Contact Person:

RICHARD COMBS

ID# 31024

Contact Telephone Number:

(877) 829-5500

Our Letter Dated:

April 1996

Addendum Applies:

No

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(2).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(2) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(2) organization.

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Letter 1050 (DO/CG)

EPISCOPAL CHURCH HOME & AFFILIATES

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Steven T. Miller

Steven T. Miller
Director, Exempt Organizations

EXHIBIT F

Amended Certificate of Authority/Amended Certificate of Authorization

**STATE OF NEW YORK
DEPARTMENT OF HEALTH**

181 Delaware Avenue Delmar, New York 12054

Antonia C. Novello, M.T., M.P.H., Dr.P.H.
*Commissioner*Dennis P. Whalen
Executive Deputy Commissioner

April 28, 2005

Edward C. Weeks
President and Chief Executive Officer
Episcopal Church Home of Western New York & Affiliates
24 Rhode Island Street
Buffalo, New York 14213

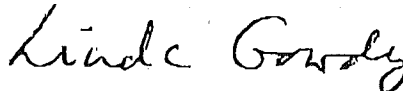
Dear Mr. Weeks:

I am pleased to inform you that the Continuing Care Retirement Community Council has approved the Certificate of Authorization request submitted for the Canterbury Woods Continuing Care Retirement Community. The Certificate of Authorization was approved at the Council meeting held on April 28, 2005. The Certificate of Authorization will allow Canterbury Woods to receive Erie County Industrial Development Agency financial assistance in the forms of a sales tax exemption, real property tax abatement, and a mortgage tax exemption for the Canterbury Woods Continuing Care Retirement Community and the Lexington Village expansion project.

All conditions related to this Certificate of Authorization are deemed met. Please consider this letter as your Certificate of Authorization under Section 4604-a of the Public Health Law.

If you have any questions, please feel free to contact Loretta Grose, of my staff, at 518-408-1245 or via e-mail at Lrg02@health.state.ny.us.

Sincerely,

Linda Gowdy, Director
Bureau of Continuing Care Initiatives



STATE OF NEW YORK DEPARTMENT OF HEALTH

Office of Continuing Care

161 Delaware Avenue

Delmar, New York 12054-1393

Antonia C. Novello, M.D., M.P.H.
Commissioner

Dennis P. Whalen
Executive Deputy Commissioner

February 25, 2003

Edward C. Weeks
President & CEO
Episcopal Church Home of Western New York & Affiliates
24 Rhode Island Street
Buffalo, New York 14213

Dear Mr. Weeks:

This is to inform you that the materials submitted by Episcopal Church Home & Affiliates Life Care Community, Inc. for the Canterbury Woods Continuing Care Retirement Community have been reviewed and found acceptable for the purpose of meeting the contingency related to the certificate of authority amendment approved at the February 3, 2003 meeting of the Continuing Care Retirement Community Council. This amendment approved an addition of 40 cottages and a clubhouse to the current operational community of 203 independent living units, 32 enriched housing units, and the 48-bed nursing facility. The contingency, approval of the February 25, 2003 version of the Lexington Village at Canterbury Woods Addendum for Refundable Improvements, is hereby deemed met. Please consider this letter as your amended certificate of authority under Section 4604 of the Public Health Law.

The amended certificate of authority allows Episcopal Church Home & Affiliates Life Care Community, Inc. to expand and operate a continuing care retirement community and to enter into continuing care retirement contracts with the following condition:

1. Construction of the cottages may not begin until the operator has obtained the written authorization of the Commissioner. Such authorization shall be granted upon:
 - Proof that the operator has executed contracts for at least fifty percent (50%) of the cottage living units and has on deposit at least ten percent (10%) of the entrance fees for such units;
 - Obtaining all applicable permits and approvals, and
 - Satisfaction of all other contingencies required by the Continuing Care Retirement Community Council.

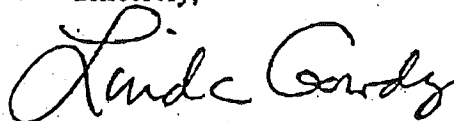
Documentation to satisfy the condition listed above should be submitted to:

Linda Gowdy, Director
Bureau of Continuing Care Initiatives
New York State Department of Health
161 Delaware Avenue
Delmar, New York 12054-1393

Please feel free to contact Loretta Grose, of my staff, or myself at (518) 478-1141 if you have any questions or concerns.

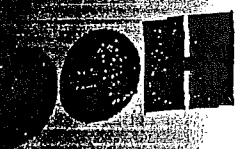
Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Linda Gowdy".

Linda Gowdy, Director
Bureau of Continuing Care Initiatives

Cc: Mr. Powell
Mr. Freedland
Mr. Kaltenborn
Mr. Teitel
Mr. Bienskie
Mr. Burke



**STATE OF NEW YORK
DEPARTMENT OF HEALTH**

Coming Tower The Governor Nelson A. Rockefeller Empire State Plaza Albany, New York 1223

DeLuono, M.D., M.P.H.

Dennis P. Whalen
Executive Deputy Commissioner

February 10, 1998

Mr. Edward C. Weeks
President and CEO
Episcopal Church Home & Affiliates Life Care Community, Inc.
Rhode Island Street
Buffalo, New York 14213-2197

Re: Application WNY-001, Canterbury Woods (Erie County)
An application to establish and construct an Article 46 life care community with a request to seek Industrial Development Agency financing and to use escrowed entrance fees during construction

Dear Mr. Weeks:

This is to inform you that the materials submitted have been reviewed and found acceptable for the purpose of meeting the conditions related to the certificate of authority and the conditions related to the IDA financing, as outlined in our letter dated July 1, 1996. All conditions are hereby deemed met. Please consider this letter as your certificate of authority under Section 4604 of the Public Health Law and your certificate of authorization for industrial development agency financing under Section 4604-a of the Public Health Law.

Upon closing for the bonds, you are authorized to start construction which must be completed by the end of August, 1999. Changes in the construction timetable that result in the extension of the completion date beyond one year (February, 2000) of the current approved completion date shall require the approval of the Continuing Care Retirement Community Council in accordance with 10 NYCRR §901.9.

This letter will also serve as authorization to use escrowed entrance fees to assist in the financing of construction for Canterbury Woods. In accordance with §4610 (6) (b) (v) of the Public Health Law, use of escrowed entrance fees is limited to fifteen percent of the total project cost. Please submit the Erie County IDA Life Care Community Revenue Bond Official Statement showing the final project cost to the Bureau of Continuing Care Initiatives after closing.

If you have any questions regarding this letter, please contact me at (518) 473-6275.

Very truly yours,

Linda Gowdy, Chairperson
Continuing Care Community Council

ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID MJ
LPCI-01

DATE (MM/DD/YYYY)
06/08/05

PRODUCER awley Service Inc 20 Delaware Avenue Buffalo NY 14202 Phone: 716-849-8618 INSURED Erie County Industrial Development Agency 275 Oak Street Buffalo NY 14203	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
	INSURERS AFFORDING COVERAGE	NAIC #
	INSURER A: Zurich American Insurance Co	379
	INSURER B:	
	INSURER C:	
INSURER D:		
INSURER E:		

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

DESCRIPTION OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS								
GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Owner/Cont Prot. GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC	OCP48960000	06/07/05	06/07/06	EACH OCCURRENCE \$ 3,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$								
AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$								
GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$								
EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$								
WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER				<table border="1"> <tr> <td>WC STATUTORY LIMITS</td> <td>OTHER</td> </tr> <tr> <td>E.L. EACH ACCIDENT</td> <td>\$</td> </tr> <tr> <td>E.L. DISEASE - EA EMPLOYEE</td> <td>\$</td> </tr> <tr> <td>E.L. DISEASE - POLICY LIMIT</td> <td>\$</td> </tr> </table>	WC STATUTORY LIMITS	OTHER	E.L. EACH ACCIDENT	\$	E.L. DISEASE - EA EMPLOYEE	\$	E.L. DISEASE - POLICY LIMIT	\$
WC STATUTORY LIMITS	OTHER											
E.L. EACH ACCIDENT	\$											
E.L. DISEASE - EA EMPLOYEE	\$											
E.L. DISEASE - POLICY LIMIT	\$											

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

roj: Canterbury Woods Phase II - Lexington Village.

CERTIFICATE HOLDER

ERIE-01

 Erie County Industrial
 Development Agency
 275 Oak Street
 Buffalo NY 14203

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID MJ
LPCI-01

DATE (MM/DD/YYYY)
06/08/05

PRODUCER awley Service Inc 20 Delaware Avenue Buffalo NY 14202 Phone: 716-849-8618	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
	INSURERS AFFORDING COVERAGE	NAIC #
SURED LPCiminelli Inc 369 Franklin Street Buffalo NY 14202	INSURER A: Zurich American Insurance Co	379
	INSURER B: St Paul Fire & Marine Ins Co	307
	INSURER C:	
	INSURER D:	
	INSURER E:	

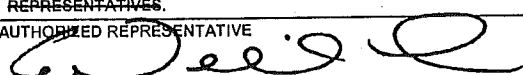
COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

SR ADD'L OR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
X	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Per Proj/Loc Aggr GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	GLO3504785	07/01/04	07/01/05	EACH OCCURRENCE	\$ 1000000
					DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 1000000
					MED EXP (Any one person)	\$ Excluded
					PERSONAL & ADV INJURY	\$ 1000000
					GENERAL AGGREGATE	\$ 2000000
					PRODUCTS - COMP/OP AGG	\$ 2000000
X	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	BAP3865925	07/01/04	07/01/05	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
					BODILY INJURY (Per person)	\$
					BODILY INJURY (Per accident)	\$
					PROPERTY DAMAGE (Per accident)	\$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT	\$
					OTHER THAN EA ACC	\$
					AUTO ONLY: AGG	\$
X	EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$10,000	QK09000770	07/01/04	07/01/05	EACH OCCURRENCE	\$ 3,000,000
					AGGREGATE	\$ 3,000,000
						\$
						\$
						\$
WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER	WC3504784	07/01/04	07/01/05	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER		
					E.L. EACH ACCIDENT	\$ 1000000
					E.L. DISEASE - EA EMPLOYEE	\$ 1000000
					E.L. DISEASE - POLICY LIMIT	\$ 1000000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Project: Canterbury Woods Phase II-Lexington Village, Renaissance Drive, Williamsville, NY 14221. (see attached)

CERTIFICATE HOLDER Erie County Industrial Development Agency 275 Oak Street Buffalo NY 14203	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE 
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NOTEPAD:HOLDER CODE ERIE-01
INSURED'S NAME LPCiminelli IncLPCI-01
OP ID MJPAGE 3
DATE 06/08/05

The Episcopal Church Home & Affiliates Life Care (Owner), KeyBank National Association, its successors and/or assigns, Erie County Industrial Development Agency, Manufacturers and Traders Trust Company, as Trustee and RLS (Developer) are Additional Insured (General Liability excluding Professional Liability) with respects to work performed by Insured for Certificate Holder on above project as required by written contract.

ACORD INSURANCE BINDER

OP ID LE

DATE
06/08/05

(THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS SHOWN ON THE REVERSE SIDE OF THIS FORM.)

PRODUCER Jurney, Becker & Bourne Ins Div. GBB, Inc. PO Box 371 Clarence NY 14031	PHONE (AG, No, Ext): 716-634-5656 716-633-1086	COMPANY Philadelphia Insurance Co	BINDER # 13171
EFFECTIVE DATE: 06/14/05 TIME: 12:01		EXPIRATION DATE: 08/14/05 TIME: 12:01 AM	
AGENCY CUSTOMER ID: CANTE-3		THIS BINDER IS ISSUED TO EXTEND COVERAGE IN THE ABOVE NAMED COMPANY PER EXPIRING POLICY #: NEW BUSINESS	
INSURED Episcopal Church Home & Affiliates Life Care Community, Inc 700 Renaissance Drive Williamsville NY 14221		DESCRIPTION OF OPERATIONS/VEHICLES/PROPERTY (Including Location) Canterbury Woods Phase II-Lexington Village, 700 Renaissance Dr., Williamsville, NY, 14221	

COVERAGES		LIMITS		
TYPE OF INSURANCE	COVERAGE/FORMS	DEDUCTIBLE	COINS %	AMOUNT
PROPERTY CAUSES OF LOSS: <input type="checkbox"/> BASIC <input type="checkbox"/> BROAD <input checked="" type="checkbox"/> SPEC <input checked="" type="checkbox"/> Builders Risk-Non Reporting Form <input checked="" type="checkbox"/> 100% Completed Value	Spec Risk Catastrophic limit Temporary locations/Transit Business Income Earth Quake/Flood	5,000 5,000 30 DAY 25,000	na na na na	10,000,000 25,000 1,850,000 5,000,000
GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR	RETRO DATE FOR CLAIMS MADE:	EACH OCCURRENCE		\$
		FIRE DAMAGE (Any one fire)		\$
		MED EXP (Any one person)		\$
		PERSONAL & ADV INJURY		\$
		GENERAL AGGREGATE		\$
		PRODUCTS - COMP/OP AGG		\$
AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS	RETRO DATE FOR CLAIMS MADE:	COMBINED SINGLE LIMIT		\$
		BODILY INJURY (Per person)		\$
		BODILY INJURY (Per accident)		\$
		PROPERTY DAMAGE		\$
		MEDICAL PAYMENTS		\$
		PERSONAL INJURY PROT		\$
		UNINSURED MOTORIST		\$
UTO PHYSICAL DAMAGE DEDUCTIBLE <input type="checkbox"/> COLLISION: <input type="checkbox"/> OTHER THAN COL:	ALL VEHICLES <input type="checkbox"/> SCHEDULED VEHICLES	ACTUAL CASH VALUE		\$
		STATED AMOUNT		\$
		OTHER		\$
TRAILER LIABILITY <input type="checkbox"/> ANY AUTO	RETRO DATE FOR CLAIMS MADE:	AUTO ONLY - EA ACCIDENT		\$
		OTHER THAN AUTO ONLY:		\$
		EACH ACCIDENT		\$
		AGGREGATE		\$
EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	RETRO DATE FOR CLAIMS MADE:	EACH OCCURRENCE		\$
		AGGREGATE		\$
		SELF-INSURED RETENTION		\$
		WC STATUTORY LIMITS		\$
WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY		E.L. EACH ACCIDENT		\$
		E.L. DISEASE - EA EMPLOYEE		\$
		E.L. DISEASE - POLICY LIMIT		\$
SPECIAL CONDITIONS/OTHER COVERAGES: 25,000 Additional Debris Removal, 10,000 Re-erect scaffolding equipment, 10,000 Pollutant Cleanup, 10,000 Trees and Shrubs, 25,000 Valuable Papers also to include special conditions per attached addendum		FEES		\$
		TAXES		\$
		ESTIMATED TOTAL PREMIUM		\$

NAME & ADDRESS

ERIECO3
Erie County Industrial Development
275 Oak Street
Buffalo NY 14223

MORTGAGEE ADDITIONAL INSURED
 LOSS PAYEE

LOAN #

AUTHORIZED REPRESENTATIVE
William Bove

ADDENDUM TO CERTIFICATE OF INSURANCE
for Episcopal Church Home & Affiliates Life Care Community, Inc.
effective as of June 1, 2005

Special Conditions:

The policies described herein contain all of the insurance provision requirements included under Section 4.5, Insurance and Section 6.2, Indemnity of the Lease Agreement between the Erie County Industrial Development Agency and Episcopal Church Home & Affiliates Life Care Community, Inc., dated as of the 1st day of February, 1998, as amended by that certain Amendment to Lease Agreement between such parties dated as of the 1st day of June, 2005.

Cancellation:

If this insurance is cancelled for any reason whatsoever, or the same is allowed to lapse or expire, or there be any reduction in amount, or any material change is made in the coverage, such cancellation, lapse, expiration, reduction or change shall not be effective as to any mortgagee, loss payee or additional insured until at least thirty (30) days after receipt by such party of written notice by the insurer of such cancellation, lapse, expiration, reduction or change.

ADDITIONAL INSURED:

Erie County Industrial Development Agency
275 Oak Street
Buffalo, New York 14203

(INSURER OR AGENT)

By: Mark Rowe
(Authorized Representative)

PRO FORMA
Mark-UP for Closing
6/13/05

TICOR TITLE INSURANCE

This Certificate of Title has been prepared by Phillips Lytle LLP, as agent for Ticor Title Insurance Company, a California insurance corporation licensed to do business in the State of New York, herein called "The Company".

Certificate of Title

SECOND AMENDED 6/13/05

File No.: 2241.0-058-003

Nature of Transaction: Loan #1 - Building Loan
Loan #2 - Project Loan

Amount of Insurance: \$ 11,356,079.00
Amount of Insurance: \$ 2,173,921.00

Proposed Insured: Loan #1 - KeyBank National Association, its successors and/or assigns
Loan #2 - KeyBank National Association, its successors and/or assigns

Purchaser/Mortgagor: Episcopal Church Home & Affiliates Life Care Community, Inc. and
Erie County Industrial Development Agency

Premises (See Schedule "A"): 61.30± Acres 705 & 601 Renaissance Drive

County: Erie Town/City: Amherst Inc. Village:

Tax Map Designation (S.B.L. No.): 56.11-8-1 & 56.11-8-1/A

This Certificate of Title has been prepared in accordance with the information and instructions received. If any changes or additions are desired, please notify The Company promptly.

Questions concerning the within certificate should be directed to:

James J. Contino, Esq.
PHILLIPS LYTLE LLP
3400 HSBC Center
Buffalo, New York 14203
(716) 847-5492

TICOR TITLE INSURANCE COMPANY

Dated: April 13, 2005

By: 
Authorized Signature

**CHECK PAYABLE TO:
"PL TICOR PREMIUM ACCOUNT"**

Ticor Search No.: 5005-01382

**SEE PREMIUM AND ENDORSEMENT
CHARGES ON NEXT PAGE**

PREMIUM AND ENDORSEMENT CHARGES

File No.: 2241.0-058-003

Premises (for ref. only): 705 & 601 Renaissance Drive, Town of Amherst, County of Erie

Borrower/Purchaser: Episcopal Church Home & Affiliates Life Care Community, Inc. and Erie County Industrial Development Agency

Policy to be issued:	Policy Amount	Premium
ALTA 10-17-92 Loan Policy #1 Bldg. Loan (With Standard New York Endorsmt.)	\$ 11,356,079.00	\$ 29,146.00 Refi. Rate (\$41,637.00 Full)

ENDORSEMENTS:

ALTA 6 (Variable Rate Mortgage)	\$ 25.00
ALTA 9 (Restrictions, Encroachments, Minerals)	\$ 3,564.00
TIRSA Access Endorsement	\$ 25.00
TIRSA Contiguity Endorsement	\$ 25.00
TIRSA Environmental Protection Lien	\$ 25.00
TIRSA Land Same as Survey Endorsement	\$ 25.00
TIRSA Mortgage Tax Endorsement	\$ 25.00
TIRSA Tax Parcel Endorsement (More than one tax lot)	\$ 25.00
TIRSA Waiver of Arbitration Endorsement	\$ 25.00

ALTA 10-17-92 Loan Policy #2 Proj. Loan (With Standard New York Endorsmt.)	\$ 2,173,921.00	\$ Included
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ENDORSEMENTS:

ALTA 6 (Variable Rate Mortgage)	\$ 25.00
ALTA 9 (Restrictions, Encroachments, Minerals)	\$ 791.00
TIRSA Access Endorsement	\$ 25.00
TIRSA Contiguity Endorsement	\$ 25.00
TIRSA Environmental Protection Lien	\$ 25.00
TIRSA Land Same as Survey Endorsement	\$ 25.00
TIRSA Mortgage Tax Endorsement	\$ 25.00
TIRSA Tax Parcel Endorsement (More than one tax lot)	\$ 25.00
TIRSA Waiver of Arbitration Endorsement	\$ 25.00

TOTAL PREMIUM AND ENDORSEMENT CHARGES \$ 33,901.00

MAKE PREMIUM CHECK PAYABLE TO: “PL TICOR PREMIUM ACCOUNT”

**IF THIS IS A REFINANCE WITHIN TEN YEARS, YOU MAY BE ENTITLED TO A REDUCED PREMIUM.
CONTACT THIS COMPANY IMMEDIATELY FOR DETAILS.**

THE ALTA LOAN POLICY (10/17/92), WITH NEW YORK ENDORSEMENT (9/1/93), CONTAINS THE FOLLOWING INSURANCE COVERAGE AND EXCLUSIONS FROM COVERAGE.

LOAN COVERAGE

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, this Company insures, as Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land;
5. The invalidity or unenforceability of the lien of the insured mortgage;
6. The priority of any lien or encumbrance over the lien of the insured mortgage;
7. Any statutory lien for services, labor or materials furnished prior to the date hereof, and which has now gained or which may hereafter gain priority over the estate or interest of the insured as shown in Schedule A of this policy;
8. The invalidity or unenforceability of any assignment of the insured mortgage, provided the assignment is shown in Schedule A, or the failure of the assignment shown in Schedule A to vest title to the insured mortgage in the named insured assignee free and clear of all liens.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title, or in the lien of the insured mortgage, as insured, but only to the extent provided in the Conditions and Stipulations.

EXCLUSIONS FROM LOAN COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy.

- 1.(a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy.
- (c) resulting in no loss or damage to the insured claimant;
- (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material); or
- (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness to comply with applicable doing business law of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws that is based on: (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination or (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure (a) to timely record the instrument of transfer, or (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

SPECIAL NEW YORK LOAN PROVISIONS

If the recording date of the instruments creating the insured interest is later than the policy date, such policy shall also cover intervening liens or encumbrances, except real estate taxes, assessments, water charges and sewer rents.

SCHEDULE A

Search: Ticor # 5005-01382

Effective Date: April 13, 2005

Borrower/Purchaser: Episcopal Church Home & Affiliates Life Care Community, Inc. and Erie County Industrial Development Agency

Amount of Insurance: ALTA 10-17-92 Loan Policy #1 \$ 11,356,079.00 (with Std. NY Endorsement)

ALTA 10-17-92 Loan Policy #2 \$ 2,173,921.00 (with Std. NY Endorsement)

- 1. Name of Insured: Loan Policies #1 & #2 - KeyBank National Association, its successors and/or assigns
2. The estate or interest in the land described or referred to in this certificate and covered herein is: Fee Simple
3. Title to said estate or interest in the land at the effective date hereof is vested in: Fee - Erie County Industrial Development Agency by Bargain and Sale Deed made by Episcopal Church Home & Affiliates Life Care Community, Inc. dated February 11, 1998 and recorded February 20, 1998 in Liber 10927 of Deeds at page 8372; Leasehold - Episcopal Church Home & Affiliates Life Care Community, Inc. by Lease dated as of February 1, 1998 as referenced in Memorandum of Lease made by Erie County Industrial Development Agency to Episcopal Church Home & Affiliates Life Care Community, Inc. dated as of February 1, 1998 and recorded February 20, 1998 in Liber 10927 of Deeds at page 8376.

4. The insured mortgage and assignment thereof, if any, are described as follows:

INSURE Pol. #1

Loan Policy #1 Mortgage for \$11,356,079.00 and interest made by Episcopal Church Home & Affiliates Life Care Community, Inc. and Erie County Industrial Development Agency to KeyBank National Association dated as of _____, 2005 and recorded _____, 2005 in Liber _____ of Mortgages at page _____.

INSURE Pol. #2

Loan Policy #2 Mortgage for \$2,173,921.00 and interest made by Episcopal Church Home & Affiliates Life Care Community, Inc. and Erie County Industrial Development Agency to KeyBank National Association dated as of _____, 2005 and recorded _____, 2005 in Liber _____ of Mortgages at page _____.

5. The land referred to in this policy is described as follows:

(For Reference Only) Premises Described Herein Are Known As: Address: 705 and 601 Renaissance Drive County: Erie City: Village: Town: Amherst S.B.L. No.: 56.11-8-1 & 56.11-8-1/A

Pro Forma Mark-up

File No.: 2241.0-058-003

SCHEDULE A (Continued)

See attached "SCHEDULE A- DESCRIPTION"

Redated: _____

Countersigned:

BY _____

Authorized Signatory
James J. Contino

TICOR TITLE INSURANCE COMPANY

SCHEDULE A - DESCRIPTION

INSURE

PARCEL I

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Amherst, County of Erie and State of New York, being part of Lot No. 92, Township 12, Range 7 of the Holland Land Company's Survey, and more particularly described as follows:

BEGINNING at an iron pipe found at the intersection of the east line of Youngs Road Extension said line also being the west line of said Lot No. 92, with the south line of lands conveyed to Episcopal Church Home & Affiliates Life Care Community, Inc. by deed recorded in the Erie County Clerk's Office in Liber 10921 of Deeds at page 1715, said south line also being described in boundary line agreement recorded in the Erie County Clerk's Office in Liber 642 of Deeds at page 606;

1. Thence N 00°46'36" E along said east line of Youngs Road Extension, a distance of 1,403.78 feet to a point in the south line of Klein Road as described in deed to the Town of Amherst recorded in the Erie County Clerk's Office in Liber 10926 of Deeds at page 9596;
2. Thence S 86°32'36" E along said south line of Klein Road a distance of 1,343.45 feet;
3. Thence S 03°27'24" W a distance of 575.10 feet;
4. Thence S 26°03'35" E a distance of 91.34 feet;
5. Thence S 26°19'40" W a distance of 106.62 feet;
6. Thence S 09°26'09" W a distance of 54.44 feet;
7. Thence S 25°09'10" W a distance of 63.32 feet;
8. Thence S 07°54'28" E a distance of 106.15 feet;
9. Thence S 32°42'46" W a distance of 40.63 feet to a point of curvature on a non-tangent curve deflecting to the right;
10. Thence southeasterly along the arc of said curve having a radius of 235.49 feet a chord bearing and distance of S 26°50'45" E, 237.64 feet, an arc distance of 249.09 feet;
11. Thence S 03°27'24" W a distance of 92.02 feet to a point of curvature on a non-tangent curve deflecting to the right;

For Conveyancing Only

Together with all right, title and interest of, in and to any streets and roads abutting in the above described premises.

TICOR TITLE INSURANCE COMPANY

INSURE

SCHEDULE A - DESCRIPTION (Continued)

12. Thence easterly along the arc of said curve having a radius of 635.0 feet a chord bearing and distance of S 80°21'19" E, 100.05 feet, an arc distance of 100.16 feet;
13. Thence S 75°50'12" E a distance of 102.86 feet to a point of curvature;
14. Thence easterly along the arc of a curve deflecting to the left having a radius of 565.0 feet, an arc distance of 105.58 feet;
15. Thence S 86°32'36" E a distance of 158.0 feet to a point in the west line of Ayer Road as described in said deed to the Town of Amherst recorded in Liber 10926 of Deeds at page 9596;
16. Thence S 17°51'02" W along said west line of Ayer Road a distance of 61.94 feet to a point in said south line of lands of Episcopal Church Home & Affiliates Life Care Community, Inc. as described in said deed recorded in Liber 10921 of Deeds at page 1715;
17. Thence N 86°32'36" W along said south line of Episcopal Church Home & Affiliates Life Care Community, Inc. a distance of 1821.36 feet to the **POINT OF BEGINNING**.

EXCEPTING therefrom that portion of Renaissance Drive, a public road, located within the above described lands as conveyed to the Town of Amherst by deed recorded in the Erie County Clerk's Office in Liber 10954 of Deeds at page 5277.

PARCEL II

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Amherst, County of Erie, State of New York, being part of Lot No. 92, Township 12, Range 7 of the Holland Land Company's Survey and more particularly described as follows:

BEGINNING at the intersection of the south line of Klein Road with the west line of Ayer Road, as said south and west lines are described in deed to the Town of Amherst recorded in the Erie County Clerk's Office in Liber 10926 of Deeds at page 9596;

1. Thence S 03°46'56" W along said west line of Ayer Road a distance of 1,204.41 feet to an angle point;
2. Thence S 17°51'02" W continuing along said west line of Ayer Road a distance of 142.32 feet;
3. Thence N 86°32'36" W a distance of 158.0 feet;

*For Conveyancing Only
Together with all right, title and interest of, in and to any streets and roads abutting in the above described premises.*

TICOR TITLE INSURANCE COMPANY

SCHEDULE A - DESCRIPTION (Continued)

INSURE

4. Thence westerly along the arc of a curve deflecting to the right having a radius of 565.0 feet, an arc distance of 105.58 feet;
5. Thence N 75°50'12" W a distance of 102.86 feet to a point of curvature;
6. Thence westerly along the arc of a curve deflecting to the left having a radius of 635.0 feet, a chord bearing and distance of N 80°21'19" W, 100.05 feet, an arc distance of 100.16 feet;
7. Thence N 03°27'24" E a distance of 92.02 feet to a point of curvature;
8. Thence northwesterly along the arc of a curve deflecting to the left, having a radius of 235.49 feet, a chord bearing and distance of N 26°50'45" W, 237.64 feet, an arc distance of 249.09 feet;
9. Thence N 32°42'46" E a distance of 40.63 feet;
10. Thence N 07°54'28" W a distance of 106.15 feet;
11. Thence N 25°09'10" E a distance of 63.32 feet;
12. Thence N 09°26'09" E a distance of 54.44 feet;
13. Thence N 26°19'40" E a distance of 106.62 feet;
14. Thence N 26°03'35" W a distance of 91.34 feet;
15. Thence N 03°27'24" E a distance of 575.10 feet to a point in said south line of Klein Road as described in said deed to the Town of Amherst recorded in Liber 10926 of Deeds at page 9596;
16. Thence S 86°32'36" E along said south line of Klein Road a distance of 601.17 feet to the **POINT OF BEGINNING.**

EXCEPTING therefrom that portion of Renaissance Drive, a public road, located within the above described lands as conveyed to the Town of Amherst by deed recorded in the Erie County Clerk's Office in Liber 10954 of Deeds at page 5277.

Parcel I and Parcel II above being a portion of the same premises granted and conveyed in fee by Episcopal Church Home & Affiliates Life Care Community, Inc. to Erie County Industrial Development Agency by deed dated February 11, 1998 and recorded in the Erie County Clerk's Office February 20, 1998 in Liber 10927 of Deeds at page 8372.

*For Conveyancing Only
Together with all right, title and interest of, in and to any streets and roads abutting in the above described premises.*

TICOR TITLE INSURANCE COMPANY

SCHEDULE B

EXCEPTIONS FROM COVERAGE

We set forth the following additional matters which will appear in our policy as exceptions from coverage, unless disposed of to our satisfaction prior to the closing or delivery of the policy:

Omit - ①

Mortgages returned herewith and set forth herein. (3)

Except ②

Rights of residents under residential occupancy agreements, with no options to purchase, rights of first refusal or other similar purchase rights.

Omit - ③

Rights and claims of parties in possession not shown of record.

Except ④

Water Charges, if any, not yet due and payable.

Except ⑤

Future installments of special assessments for improvements, not yet due and payable.

Omit - ⑥

Any state of facts an inspection of the premises would disclose.

7.

Exceptions as disclosed by Survey No. 97196 made by Deborah A. Naybor PLS, P.C. dated May 12, 2005, as follows:

a. Wire fences located on south and west lines of record title;

Insure -

Note: The policy to be issued will insure that the above fence placements and future corrections thereof will not interfere with the use of the premises to be insured, the existing improvements erected thereon or the improvements to be constructed on the insured premises pursuant to the approved Final Site Plan for Lexington Village at Canterbury Woods prepared by Clough, Harbour & Associates, LLP, dated May, 2002 and last revised April, 2003 (Drawing Nos. SP-1 and SP-2, Site Plan 1 of 2 and 2 of 2).

Except

b. Utility pole line in Youngs Road right of way adjacent to west boundary line of premises;

c. Hot box and hydrant in westerly portion of premises adjacent to Youngs Road.

d. Pipe line in Klein Road right of way, with a portion of 40' wide easement for same traversing northerly portion of premises per Liber 10926, Page 9580;

e. Portion of easement to Town of Amherst traversing northerly portion of premises adjacent to Klein Road per Liber 7099, Page 602;

f. Easement to Niagara Mohawk traversing through northerly portion of premises from Klein Road per Liber 10926, Page 3497;

SCHEDULE B (Continued)

Except → g. Portion of easement to Town of Amherst traversing easterly portion of premises adjacent to Ayer Road per Liber 7445, Page 469.

Except - f. This is a building loan transaction. As of this date, there are no survey variations (except as set forth above). Before any further advances are made, the survey should be redated. Otherwise, the policy will except any changes since the date of said survey.

Except - e. Right of Way granted to Buffalo Pipe Line Corporation dated July 30, 1937 and recorded September 11, 1937 in Liber 2703 of Deeds at page 158, as partially released and amended by Amendment to Right of Way made by Episcopal Church Home & Affiliates Life Care Community, Inc. with Atlantic Pipeline Company as successor to Buffalo Pipe Line Company dated November 13, 1997 and recorded January 29, 1998 in Liber 10926 of Deeds at page 9580.

Except - d. Easement granted to Niagara Mohawk Power Corporation and New York Telephone Co. dated November 23, 1959 and recorded January 4, 1960 in Liber 6511 of Deeds at page 565.

Insure → Note: The Loan policy to be issued will insure that the easement at "10" above will not interfere with the use or enjoyment of the existing improvements erected on the insured premises, or the improvements to be constructed thereon pursuant to the approved Final Site Plan for Lexington Village at Canterbury Woods prepared by Clough, Harbour & Associates, LLP, dated May, 2002 and last revised April, 2003 (Drawing Nos. SP-1 and SP-2, Site Plan 1 of 2 and 2 of 2).

Except - c. Easement granted to Town of Amherst dated January 15, 1965 and recorded April 13, 1965 in Liber 7099 of Deeds at page 602.

Except - b. Easement granted to Town of Amherst dated October 9, 1967 and recorded February 26, 1968 in Liber 7445 of Deeds at page 469.

Except - a. Easement granted to Niagara Mohawk Power Corporation and NYNEX dated October 15, 1997 and recorded January 14, 1998 in Liber 10926 of Deeds at page 3497.

Except - 14. Agreement establishing boundary line made by Christine Sugg with Jacob J. Herberger and Theresa Herberger his wife dated April 16, 1892 and recorded May 10, 1892 in Liber 642 of Deeds at page 606, establishing the south boundary of premises described in Schedule A as a line parallel with the north line of Lot No. 92 and 21 chains, 54 ½ links southerly of the northwest corner of said Lot No. 92.

Insure → Note: The policy to be issued will insure that the agreement at "14" above will not interfere with the use or enjoyment of the existing improvements erected on the insured premises.

Except - 13. Terms, covenants and restriction contained in Declaration of Restrictions made by Episcopal Church Home & Affiliates Life Care Community, Inc. dated September 23, 1997 and recorded September 30, 1997 in Liber 10921 of Deeds at page 9109, **BUT OMITTING ANY COVENANT OR**

SCHEDULE B (Continued)

RESTRICTION BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN..

Except 6.

Terms, covenants and restrictions contained in Declaration of Restrictions made by Episcopal Church Home & Affiliates Life Care Community, Inc. dated January 14, 1998 and recorded January 29, 1998 in Liber 10926 of Deeds at page 9587, **BUT OMITTING ANY COVENANT OR RESTRICTION BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN..**

Except 17.

Covenants contained in deed made by Episcopal Church Home & Affiliates Life Care Community, Inc. to Town of Amherst dated January 14, 1998 and recorded January 29, 1998 in Liber 10926 of Deeds at page 9596, **BUT OMITTING ANY COVENANT OR RESTRICTION BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN.**

Except 18.

Memorandum of Lease made by Erie County Industrial Development Agency to Episcopal Church Home & Affiliates Life Care Community, Inc. dated as of February 1, 1998 and recorded February 20, 1998 in Liber 10927 of Deeds at page 8376.

Insure

Note: The policy to be issued will insure that the above leasehold interest is subject and subordinate to the lien of the insured mortgage.

Except 6.

Indenture of Trust made by Erie County Industrial Development Agency with Manufacturers and Traders Trust Company dated as of February 1, 1998 and recorded February 20, 1998 in Liber 10927 of Deeds at page 8390.

Insure

Note: Upon the execution, delivery and recording of an agreement by and between Episcopal Church Home & Affiliates Life Care Community, Inc., Erie County Industrial Development Agency, ~~Manufacturers and Traders Trust Company and KeyBank National Association~~ providing for co-equal priority of the above indenture of trust with the mortgage to be insured, the policy to be issued will insure that the lien of the above indenture of trust is *pari passu* with the lien of the insured mortgage.

Except 20.

Agency Mortgage, Assignment of Rents and Security Agreement (Acquisition Loan) for \$3,055,000.00 and interest made by Episcopal Church Home & Affiliates Life Care Community, Inc. and Erie County Industrial Development Agency to Manufacturers and Traders Trust Company and Banque Paribas dated as of February 1, 1998 and recorded February 20, 1998 in Liber 12774 of Mortgages at page 5817.

INSURE

Note: Upon the execution, delivery and recording of an agreement by and between Episcopal Church Home & Affiliates Life Care Community, Inc., Erie County Industrial Development Agency, ~~Manufacturers and Traders Trust Company, Banque Paribas and KeyBank National Association~~ providing for co-equal priority of the above mortgage with the mortgage to be insured, the policy to

SCHEDULE B (Continued)

be issued will insure that the lien of the above mortgage is *pari passu* with the lien of the insured mortgage.

Except 21.

Agency Mortgage, Assignment of Rents and Security Agreement (Building Loan) for \$41,092,000.00 and interest made by Episcopal Church Home & Affiliates Life Care Community, Inc. and Erie County Industrial Development Agency to Manufacturers and Traders Trust Company and Banque Paribas dated as of February 1, 1998 and recorded February 20, 1998 in Liber 12774 of Mortgages at page 5868.

Note: Upon the execution, delivery and recording of an agreement by and between Episcopal Church Home & Affiliates Life Care Community, Inc., Erie County Industrial Development Agency, Manufacturers and Traders Trust Company, Banque Paribas and KeyBank National Association providing for co-equal priority of the above mortgage with the mortgage to be insured, the policy to be issued will insure that the lien of the above mortgage is *pari passu* with the lien of the insured mortgage.

Insure

Omit 22.

Building Loan Agreement for \$41,092,000.00 between Manufacturers and Traders Trust Company and Banque Paribas, lender and Episcopal Church Home & Affiliates Life Care Community, Inc. and Erie County Industrial Development Agency, borrower dated as of February 1, 1998 and filed February 20, 1998 as Q44 0800.

Except 23.

Agency Mortgage, Assignment of Rents and Security Agreement (Indirect Loan) for \$14,872,173.00 and interest made by Episcopal Church Home & Affiliates Life Care Community, Inc. and Erie County Industrial Development Agency to Manufacturers and Traders Trust Company and Banque Paribas dated as of February 1, 1998 and recorded February 20, 1998 in Liber 12774 of Mortgages at page 5927.

Note: Upon the execution, delivery and recording of an agreement by and between Episcopal Church Home & Affiliates Life Care Community, Inc., Erie County Industrial Development Agency, Manufacturers and Traders Trust Company, Banque Paribas and KeyBank National Association providing for co-equal priority of the above mortgage with the mortgage to be insured, the policy to be issued will insure that the lien of the above mortgage is *pari passu* with the lien of the insured mortgage.

Insure

Except 24.

Financing Statement No. Q44 1182 affecting premises described in Schedule A.
Debtor: Erie County Industrial Development Agency
Secured Party: Manufacturers and Traders Trust Company
Filed: February 20, 1998
Continued: September 26, 2002.

Note: Upon the execution, delivery and recording of an agreement by and between Erie County Industrial Development Agency, Manufacturers and Traders Trust Company and KeyBank National Association providing for co-equal priority of the above financing statement with the mortgage to be

SCHEDULE B (Continued)

Insure — ~~insured~~, the policy to be issued will insure that the lien of the above financing statement is *pari passu* with the lien of the insured mortgage.

Except 25. Financing Statement No. Q44 1160 affecting premises described in Schedule A.
Debtor: Episcopal Church Home & Affiliates Life Care Community, Inc. and Erie County Industrial Development Agency
Secured Party: Manufacturers and Traders Trust Company
Filed: February 20, 1998
Continued: September 26, 2002.

Insure — Note: Upon the execution, delivery and recording of an agreement by and between Episcopal Church Home & Affiliates Life Care Community, Inc., Erie County Industrial Development Agency, Manufacturers and Traders Trust Company and KeyBank National Association providing for ~~co-equal priority of the above financing statement with the mortgage to be insured~~, the policy to be issued will insure that the lien of the above financing statement is *pari passu* with the lien of the insured mortgage.

Omit 26. Proof of current tax exempt status of **Episcopal Church Home & Affiliates Life Care Community, Inc.** under IRC 501(c);

OR

Proof is required to show that New York State franchise taxes for **Episcopal Church Home & Affiliates Life Care Community, Inc.** have been paid through for all fiscal periods ending 75 or more days prior to the date of closing.

Omit 27. Proof of good standing of **Episcopal Church Home & Affiliates Life Care Community, Inc.**, a New York corporation.

Omit 28. Consent of two-thirds of the entire board of directors (or a majority if the board consists of twenty-one or more directors) of **Episcopal Church Home & Affiliates Life Care Community, Inc.** pursuant to Not-for-Profit Corporation Law Section 509 (and Not-for-Profit Corporation Law Section 510 if applicable), approving the mortgage of its leasehold interest in the insured premises and authorizing specified officers of the corporation to execute the documentation necessary to consummate the transaction.

Omit 29. Proof of the resolution of **The Erie County Industrial Development Agency** approving the mortgage to be insured hereunder. Such proof must show that the resolution was approved by a majority of all the members.

Omit 30. Terms and conditions of the resolution by **The Erie County Industrial Development Agency** approving the sale of the bonds to be secured by the insured mortgage, and terms and conditions of the agreement between said I.D.A. and the insured mortgagee(s) relating to the funds used for the purchase of the bonds.

JJC

SCHEDULE B (Continued)

omit 31

Execution, delivery and recording of mortgages encumbering the premises described in Schedule A in the amount of \$11,356,079.00 and \$2,173,921.00.

omit 32

Execution, delivery and filing of a building loan contract for \$11,356,079.00 for construction of improvements to be erected on the premises to be insured and the filing of a Lien Law Section 22 affidavit.

Except 33

Pending disbursement of the full proceeds of the loan secured by the insured mortgage described herein, this policy insures only to the extent of the amount actually disbursed plus interest accrued thereon, but increases up to the face amount of the policy as disbursements are made in good faith and without knowledge of any defects in, or encumbrances prior to, the lien of the insured mortgage other than exceptions on Schedule B of this policy not insured against hereunder.

Title shall be continued down to the date of each disbursement and the Company shall furnish to the Insured a continuation report, which shall note (1) the new effective date and amount of the policy, (2) all assessments, taxes, liens, encumbrances, leases, mortgages, easements and other items then affecting the insured premises which have been filed of record or discovered by the Company since the original date of the policy regardless of whether they affect the lien of the insured mortgage, (3) which of the aforesaid items have been filed or recorded since the date of the last preceding continuation report, and (4) which of said items are intended to be added as exceptions to the coverage of the policy as to (a) all amounts secured by the insured mortgage and (b) only amounts secured by the insured mortgage advanced on or after the new effective date of the policy.

In addition, each continuation search will notify the Insured of any liens which have been discharged by bonding, court deposit or any means other than full payment.

In the event the lien of the insured mortgage described herein is insured by more than one insurer, this Company agrees that it shall be bound by the continuation reports of a single company specified as "lead" insurer herein.

34. The final policy shall contain the following endorsements (drafts of which are attached):

Add }

- a. Standard New York Endorsement (Loan Policy)
- b. ALTA Endorsement 6 (Variable Rate Mortgage)
- c. ALTA Endorsement 9 (Restrictions, Encroachments, Minerals)
- d. TIRSA Access Endorsement (as to Renaissance Drive)
- e. TIRSA Contiguity Endorsement (as to Parcels I & II)
- f. TIRSA Environmental Protection Lien Endorsement
- g. TIRSA Land Same as Survey Endorsement
- h. TIRSA Mortgage Tax Endorsement
- i. TIRSA Tax Parcel Endorsement (More than one tax lot)
- j. TIRSA Waiver of Arbitration Endorsement.

SCHEDULE B (Continued)

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Except on Policy #1 — ^{Project} Mortgage to KeyBank for \$2,173,921.00

Except on Policy #2 — Building loan Mortgage to KeyBank for \$11,356,079.00

Except on Policies #1 + #2 — Any collateral security documents, such as Assignment of Rents, UCC-1 Fixture filings, etc.

BFLO Doc # 1480565.3

TICOR TITLE INSURANCE COMPANY

ENDORSEMENT

Attached to and made a part of
Policy No.

T

Issued by
TICOR TITLE INSURANCE COMPANY

STANDARD NEW YORK ENDORSEMENT (LOAN POLICY)

1. Insuring provision Number 7 is deleted and the following is substituted:

"7. Any statutory lien for services, labor or materials furnished prior to the date hereof, and which has now gained or which may hereafter gain priority over the estate or interest of the insured as shown in Schedule A of this policy."
2. Paragraph number 6 of the Exclusions From Coverage is deleted.
3. The following is added to Paragraph 7 of the Conditions and Stipulations of this policy:

"(d) If the recording date of the instruments creating the insured interest is later than the policy date, such policy shall also cover intervening liens or encumbrances, except real estate taxes, assessments, water charges and sewer rents."

Nothing herein contained shall be construed as extending or changing the effective date of the policy, unless otherwise expressly stated.

This endorsement is made a part of the policy and is subject to the Exclusions from Coverage, Schedules, Conditions and Stipulations therein, except as modified by the provisions hereof.

Dated:

Authorized Signatory
James J. Contino

D

Note: This endorsement shall not be valid or binding until signed by an authorized signatory.

STANDARD NEW YORK ENDORSEMENT (9/1/93)
FOR USE WITH ALTA LOAN POLICY (10/17/92)

T_NYLOAN

TICOR TITLE INSURANCE COMPANY

ENDORSEMENT

Attached to and made a part of
Policy No.

T

Issued by
TICOR TITLE INSURANCE COMPANY

VARIABLE RATE MORTGAGE ENDORSEMENT

The Company insures the owner of the indebtedness secured by the insured mortgage against loss or damage sustained by reason of:

F

1. The invalidity or unenforceability of the lien of the insured mortgage resulting from the provisions therein which provide for changes in the rate of interest.
2. Loss of priority of the lien of the insured mortgage as security for the unpaid principal balance of the loan, together with interest as changed in accordance with the provisions of the insured mortgage, which loss of priority is caused by the changes in the rate of interest.

A

"Changes in the rate of interest", as used in this endorsement, shall mean only those changes in the rate of interest calculated pursuant to the formula provided in the insured mortgage at Date of Policy.

This endorsement does not insure against loss or damage based upon (a) usury, or (b) any consumer credit protection or truth in lending law.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto, except that the insurance afforded by this endorsement is not subject to Section 3(d) of the Exclusions From Coverage. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the amount of insurance.

Dated:

D

Authorized Signatory
James J. Contino

Note: This endorsement shall not be valid or binding until signed by an authorized signatory.

TICOR TITLE INSURANCE COMPANY

ENDORSEMENT

Attached to and made a part of Policy No.

Issued by

TICOR TITLE INSURANCE COMPANY
ALTA ENDORSEMENT 9
(RESTRICTIONS, ENCROACHMENTS, MINERALS) T

The Company insures the owner of the indebtedness secured by the insured mortgage against loss or damage sustained by reason of:

1. The existence, at Date of Policy, of any of the following:
 - (a) Covenants, conditions or restrictions under which the lien of the mortgage referred to in Schedule A can be divested, subordinated or extinguished, or its validity, priority or enforceability impaired.
 - (b) Unless expressly excepted in Schedule B:
 - (1) Present violations on the land of any enforceable covenants, conditions or restrictions, and any existing improvements on the land which violate any building setback lines shown on a plat of subdivision recorded or filed in the public records.
 - (2) Any instrument referred to in Schedule B as containing covenants, conditions or restrictions on the land which, in addition, (i) establishes an easement on the land; (ii) provides a lien for liquidated damages; (iii) provides for a private charge or assessment; (iv) provides for an option to purchase, right of first refusal or the prior approval of a future purchaser or occupant.
 - (3) Any encroachment of existing improvements located on the land onto adjoining land, or any encroachment onto the land of existing improvements located on adjoining land.
 - (4) Any encroachment of existing improvements located on the land onto that portion of the land subject to any easement excepted in Schedule B.
 - (5) Any notices of violation of covenants, conditions and restrictions relating to environmental protection recorded or filed in the public records.
2. Any future violation on the land of any existing covenants, conditions or restrictions occurring prior to the acquisition of title to the estate or interest in the land by the insured, provided the violation results in:
 - (a) invalidity, loss of priority, or unenforceability of the lien of the insured mortgage; or
 - (b) loss of title to the estate or interest in the land if the insured shall acquire title in satisfaction of the indebtedness secured by the insured mortgage.
3. Damage to existing improvements, including lawns, shrubbery or trees;
 - (a) which are located on or encroach upon that portion of the land subject to any easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved;
 - (b) resulting from the future exercise of any right to use the surface of the land for the extraction or development of minerals excepted from the description of the land or excepted in Schedule B.
4. Any final court order or judgment requiring the removal from any land adjoining the land of any encroachment excepted in Schedule B.
5. Any final court order or judgment denying the right to maintain any existing improvements on the land because of any violation of covenants, conditions or restrictions or building setback lines shown on a plat of subdivision recorded or filed in the public records.

Whenever in this endorsement the words "covenants, conditions or restrictions" appear, they shall not be deemed to refer to or include the terms, covenants, conditions or limitations contained in an instrument creating a lease.

As used in paragraphs 1(b)(1) and 5, the words, "covenants, conditions or restrictions" shall not be deemed to refer to or include any covenants, conditions or restrictions relating to environmental protection.

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

Date:

James J. Contino

Note: This endorsement shall not be valid or binding until signed by an authorized signatory.

TICOR TITLE INSURANCE COMPANY

ENDORSEMENT

Attached to and forming a part of
Policy No.

T

Issued by
TICOR TITLE INSURANCE COMPANY

ACCESS ENDORSEMENT (LOAN POLICY ONLY)

The Policy hereby insures the Insured against loss which the Insured shall sustain in the event that the described land does not abut upon a physically open public street known as Renaissance Drive.

This endorsement is made a part of the Policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the Policy and any other endorsements, nor does it extend the effective date of the Policy and any other endorsements, nor does it increase the amount of thereof.

Dated:

A

Authorized Signatory
James J. Contino

Note: This endorsement shall not be valid or binding until signed by an authorized signatory.

R

TIRSA ACCESS ENDORSEMENT (10/22/99)

D

T_ACCEND

TICOR TITLE INSURANCE COMPANY

ENDORSEMENT

Attached to and made part of
Policy No.

T

Issued by
TICOR TITLE INSURANCE COMPANY

CONTIGUITY ENDORSEMENT

The Policy insures against loss or damage which the Insured may sustain by reason that the land described in the Policy as Parcel I and Parcel II are not contiguous to each other along their common boundary line(s).

F

This endorsement is made a part of the Policy and is subject to all of the terms and provisions thereof and of any other endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the Policy and any other endorsements, nor does it extend the effective date of the Policy and any other endorsements, nor does it increase the face amount thereof.

A

Dated:

Authorized Signatory
James J. Contino

R

Note: This endorsement shall not be valid or binding until signed by an authorized signatory.

D

TICOR TITLE INSURANCE COMPANY

ENDORSEMENT

Attached to and made a part of
Policy No.

Issued by
TICOR TITLE INSURANCE COMPANY

ENVIRONMENTAL PROTECTION LIEN ENDORSEMENT - NEW YORK -

The Policy insures the insured against loss or damage sustained by reason of lack of priority of the lien of the insured mortgage over:

- (a) any environmental protection lien which, at Date of Policy, is recorded in those records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge, or filed in the records of the clerk of the United States district court for the district in which the land is located, except as set forth in Schedule B: or
- (b) any environmental protection lien provided for by any state statute in effect at Date of Policy, except environmental protection liens provided for by the following state statutes:

Section 1307 of the Public Health Law

This endorsement is made a part of the Policy and is subject to all of the terms and provisions thereof and of any other endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the Policy and any other endorsements, nor does it extend the effective date of the Policy and any other endorsements, nor does it increase the amount of insurance.

Dated:

Authorized Signatory
James J. Contino

Note: This endorsement shall not be valid or binding until signed by an authorized signatory.

TICOR TITLE INSURANCE COMPANY

ENDORSEMENT

Attached to and made a part of
Policy No.

T

Issued by
TICOR TITLE INSURANCE COMPANY

LAND SAME AS SURVEY ENDORSEMENT

The Company hereby assures the Insured that said land is the same as that delineated on the plat of a survey made by Deborah A. Naybor PLS, P.C., designated Job No. 97196 and dated May 12, 2005.

The Company hereby insures said Assured against loss which said Assured shall sustain in the event said assurances herein shall prove to be incorrect.

The total liability of the Company under said policy and any endorsement therein shall not exceed, in the aggregate, the face amount of said policy and costs which the Company is obligated under the Conditions and Stipulations thereof to pay.

A

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

Dated:

R

Authorized Signatory
James J. Contino

Note: This endorsement shall not be valid or binding until signed by an authorized signatory.

D

TICOR TITLE INSURANCE COMPANY

ENDORSEMENT

Attached to and made part of
Policy No.

T

Issued by
TICOR TITLE INSURANCE COMPANY

MORTGAGE TAX ENDORSEMENT

The Policy insures the owner of the indebtedness secured by the insured mortgage(s) against loss or damage which may be sustained by reason that all mortgage recording taxes required to be paid on the insured mortgage(s) have not been paid.

This endorsement is made a part of the Policy and is subject to all of the terms and provisions thereof and of any other endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the Policy and any other endorsements, nor does it extend the effective date of the Policy and any other endorsements, nor does it increase the face amount thereof.

Dated:

A

Authorized Signatory
James J. Contino

Note: This endorsement shall not be valid or binding until signed by an authorized signatory.

R

TIRSA MORTGAGE TAX ENDORSEMENT (12/27/00)

D

TICOR TITLE INSURANCE COMPANY

ENDORSEMENT

Attached to and made part of
Policy No.

T

Issued by
TICOR TITLE INSURANCE COMPANY

TAX PARCEL ENDORSEMENT More Than One Tax Lot

(Loan Policy Only)

F

The Policy insures against loss or damage which the insured may sustain by reason that the land described in Schedule A is not assessed for real estate tax purposes as separate tax lots which, when taken together, include no land other than that described in Schedule A.

This endorsement is made a part of the Policy and is subject to all of the terms and provisions thereof and of any other endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the Policy and any other endorsements, nor does it extend the effective date of the Policy and any other endorsements, nor does it increase the face amount thereof.

Dated:

Authorized Signatory
James J. Contino

R

*Note: This endorsement shall not be valid or binding
until signed by an authorized signatory.*

TIRSA TAX PARCEL ENDORSEMENT (MORE THAN ONE) [LOAN POLICY] (12/27/00)

D

TICOR TITLE INSURANCE COMPANY

ENDORSEMENT

Attached to and made a part of
Policy No.

T

Issued by
TICOR TITLE INSURANCE COMPANY

WAIVER OF ARBITRATION ENDORSEMENT (OWNER'S OR LOAN POLICY)

This policy is amended by deleting therefrom:

F

- (A) If this endorsement is attached to an ALTA Loan Policy: Condition and Stipulation Section 13.
- (B) If this endorsement is attached to an ALTA Owner's Policy: Condition and Stipulation Section 14.
- (C) If this endorsement is attached to an TIRSA Owner's Extended Protection Policy: Condition Number 12.

A

This endorsement is made a part of the Policy and is subject to all of the terms and provisions thereof and of any other endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the Policy and any other endorsements, nor does it extend the effective date of the Policy and any other endorsements, nor does it increase the face amount thereof.

Dated:

R

Authorized Signatory
James J. Contino

D

Note: This endorsement shall not be valid or binding until signed by an authorized signatory.

CLOSING REQUIREMENTS

1. CLOSING DATE: In order to facilitate the closing of title, please notify the closing department at least 48 hours prior to the closing, of the date and place of closing, so that searches may be continued.
2. PROOF OF IDENTITY: Identity of all persons executing the papers delivered on the closing must be established to the satisfaction of the Company.
3. POWER OF ATTORNEY: If any of the closing instruments are to be executed pursuant to a Power of Attorney, a copy of such Power should be submitted to the Company prior to closing. THE IDENTITY OF THE PRINCIPAL EXECUTING THE POWER AND THE CONTINUED EFFECTIVENESS OF THE POWER MUST BE ESTABLISHED TO THE SATISFACTION OF THE COMPANY. The Power must be in recordable form.
4. CLOSING INSTRUMENTS: If any of the closing instruments will be other than commonly used forms or contain unusual provisions, the closing can be simplified and expedited by furnishing the Company with copies of the proposed documents in advance of closing.
5. LIEN LAW CLAUSE: Deeds and mortgages must contain the covenant required by Section 13 of the Lien Law. The covenant is not required in deeds from referees or other persons appointed by a court for the sole purpose of selling property.
6. REFERENCE TO SURVEYS AND MAPS: Closing instruments should make no reference to surveys or maps unless such surveys or maps are on file.
7. INTERMEDIARY DEEDS: In the event an intermediary will come into title at closing, other than the ultimate insured, the name of such party must be furnished to the Company in advance of closing so that appropriate searches can be made and relevant exceptions considered.

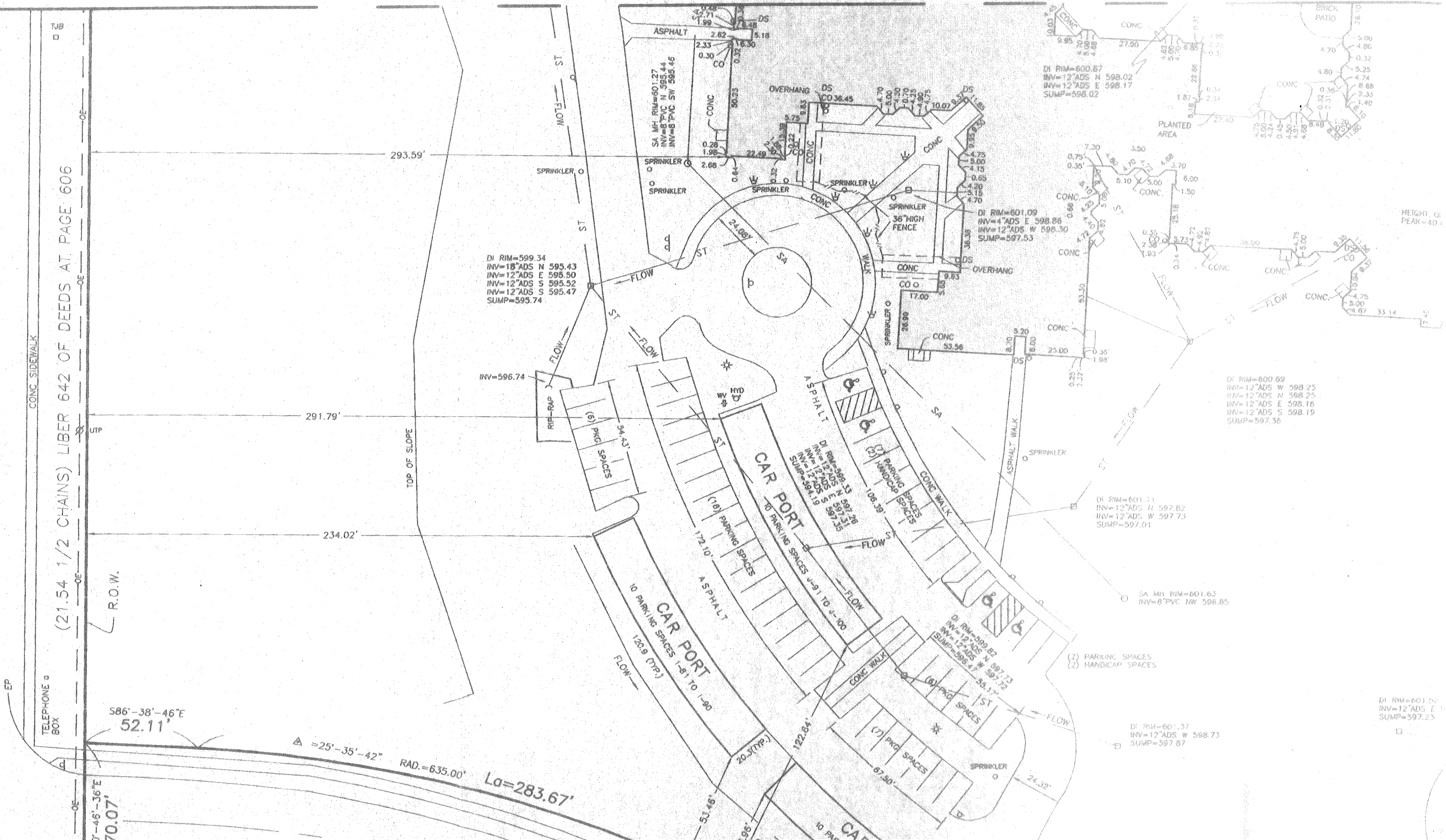
MISCELLANEOUS PROVISIONS

1. THIS CERTIFICATE IS INTENDED FOR LAWYERS ONLY. YOUR LAWYER SHOULD BE CONSULTED BEFORE TAKING ANY ACTION BASED UPON THE CONTENTS HEREOF.
2. THE COMPANY'S CLOSER MAY NOT ACT AS LEGAL ADVISOR FOR ANY OF THE PARTIES OR DRAW LEGAL INSTRUMENTS FOR THEM. THE CLOSER IS PERMITTED TO BE OF ASSISTANCE ONLY TO AN ATTORNEY.
3. If the insured contemplates making improvements to the property costing more than twenty per centum of the amount of insurance to be issued hereunder, we suggest that the amount of insurance be increased to cover the cost thereof; otherwise, in certain cases the insured will become a co-insurer.
4. Our policy will except from coverage any state of facts which an accurate survey might show, unless survey coverage is ordered. When such coverage is ordered, this certificate will set forth the specific survey exceptions which we will include in our policy. Whenever the word "trim" is used in any survey exceptions from coverage, it shall be deemed to include, roof cornices, mouldings, belt courses, water tables, keystones, pilasters, portico, balcony all of which project beyond the street line.
5. Our examination of the title includes a search for any unexpired financing statements which affect fixtures and which have been properly filed and indexed pursuant to the Uniform Commercial Code in the office of the recording officer of the county in which the real property lies. No search has been made for other financing statements because we do not insure title to personal property. We will on request, in connection with the issuance of a title insurance policy, prepare such search for an additional charge. Our liability in connection with such search is limited to \$1,000.00.
6. This company must be notified immediately of the recording or the filing, after the date of this certificate, of any instrument and of the discharge or other disposition of any mortgage, judgment, lien or any other matter set forth in this certificate and of any change in the transaction to be insured or the parties thereto. The continuation will not otherwise disclose the disposition of any lien.
7. If affirmative insurance is desired regarding any of the restrictive covenants with respect to new construction or alterations, please request such insurance in advance of closing as this request should not be considered at closing.
8. If it is discovered that there is additional property or an appurtenant easement for which insurance is desired, please contact the Company in advance of closing so that an appropriate title search may be made. In some cases, our rate manual provides for an additional charge for such insurance.

YOUNGS ROAD EXTENSION

(21.54 1/2 CHAINS) LIBER 642 OF DEEDS AT PAGE 606

MATCH LINE TO SHEET



DI RIM=599.34
INV=18" ADS N 595.43
INV=12" ADS E 595.50
INV=12" ADS S 595.52
INV=12" ADS S 595.47
SUMP=595.74

DI RIM=600.67
INV=12" ADS N 598.02
INV=12" ADS E 598.17
SUMP=598.02

DI RIM=601.09
INV=4" ADS E 598.86
INV=12" ADS W 598.30
SUMP=597.53

DI RIM=600.69
INV=12" ADS W 598.25
INV=12" ADS N 598.25
INV=12" ADS E 598.16
INV=12" ADS S 598.19
SUMP=597.36

DI RIM=601.11
INV=12" ADS N 597.62
INV=12" ADS W 597.73
SUMP=597.01

SA MH RIM=601.63
INV=8" PVC NW 596.85

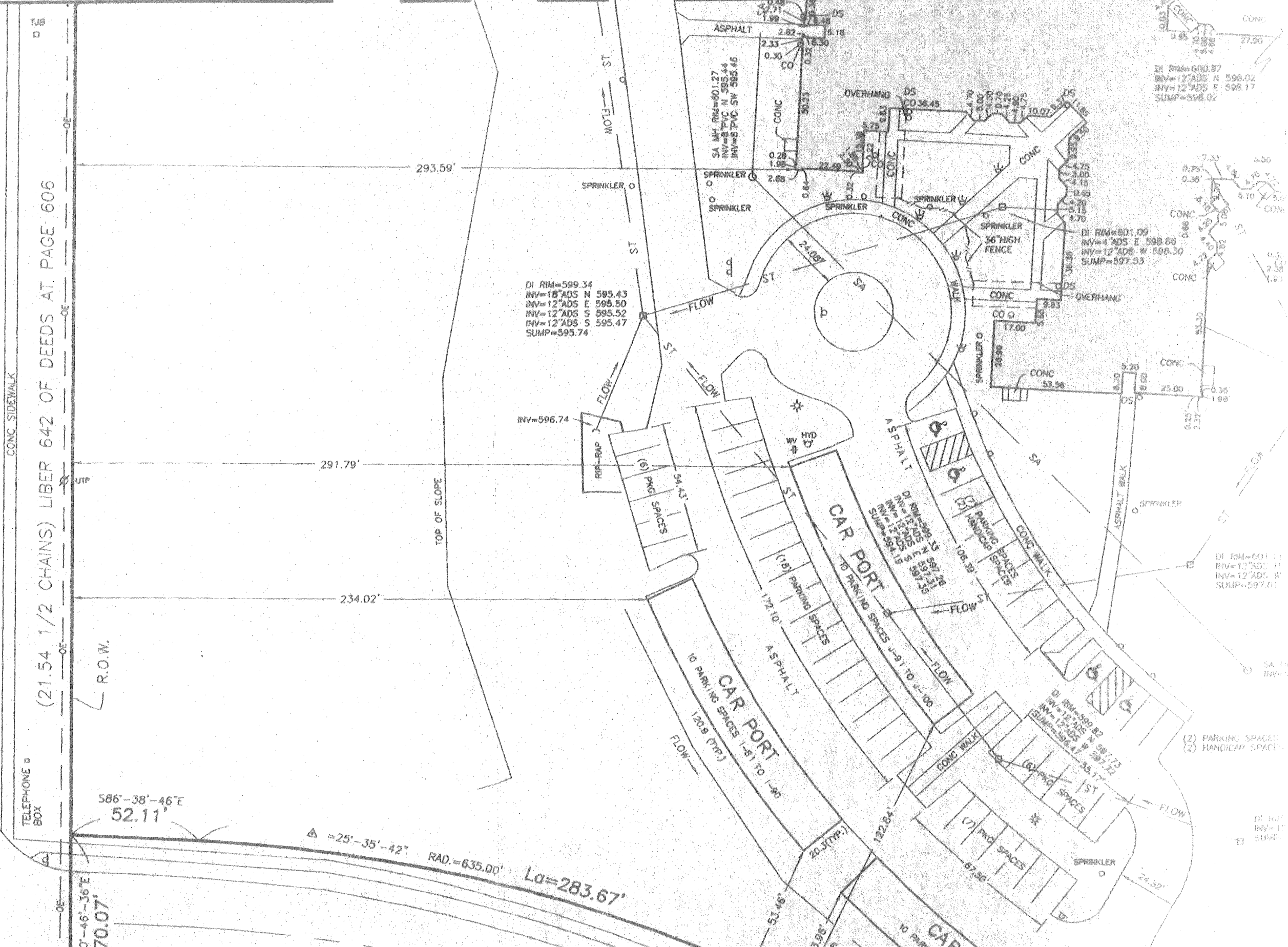
DI RIM=599.82
INV=12" ADS N 597.73
INV=12" ADS W 597.72
SUMP=598.17

DI RIM=601.37
INV=12" ADS W 598.73
SUMP=597.67

DI RIM=601.62
INV=12" ADS E 598.17
SUMP=597.25

YOUNGS ROAD EXTENSION

(21.54 1/2 CHAINS) LIBER 642 OF DEEDS AT PAGE 606



MATCH LINE TO S1

DI RIM=599.34
INV=18" ADS N 595.43
INV=12" ADS E 595.50
INV=12" ADS S 595.52
INV=12" ADS W 595.47
SUMP=595.74

DI RIM=600.87
INV=12" ADS N 598.02
INV=12" ADS E 598.17
SUMP=598.02

DI RIM=601.09
INV=4" ADS E 598.86
INV=12" ADS W 599.30
SUMP=597.53

DI RIM=599.15
INV=12" ADS N 597.28
INV=12" ADS E 597.35
SUMP=594.18

DI RIM=599.82
INV=12" ADS N 597.72
INV=12" ADS W 597.17
SUMP=596.47

DI RIM=601.11
INV=12" ADS N 597.17
INV=12" ADS W 597.01
SUMP=597.01

(2) PARKING SPACES
(2) HANDICAP SPACES

DI RIM=601.11
INV=12" ADS N 597.17
INV=12" ADS W 597.01
SUMP=597.01

PHASE 1

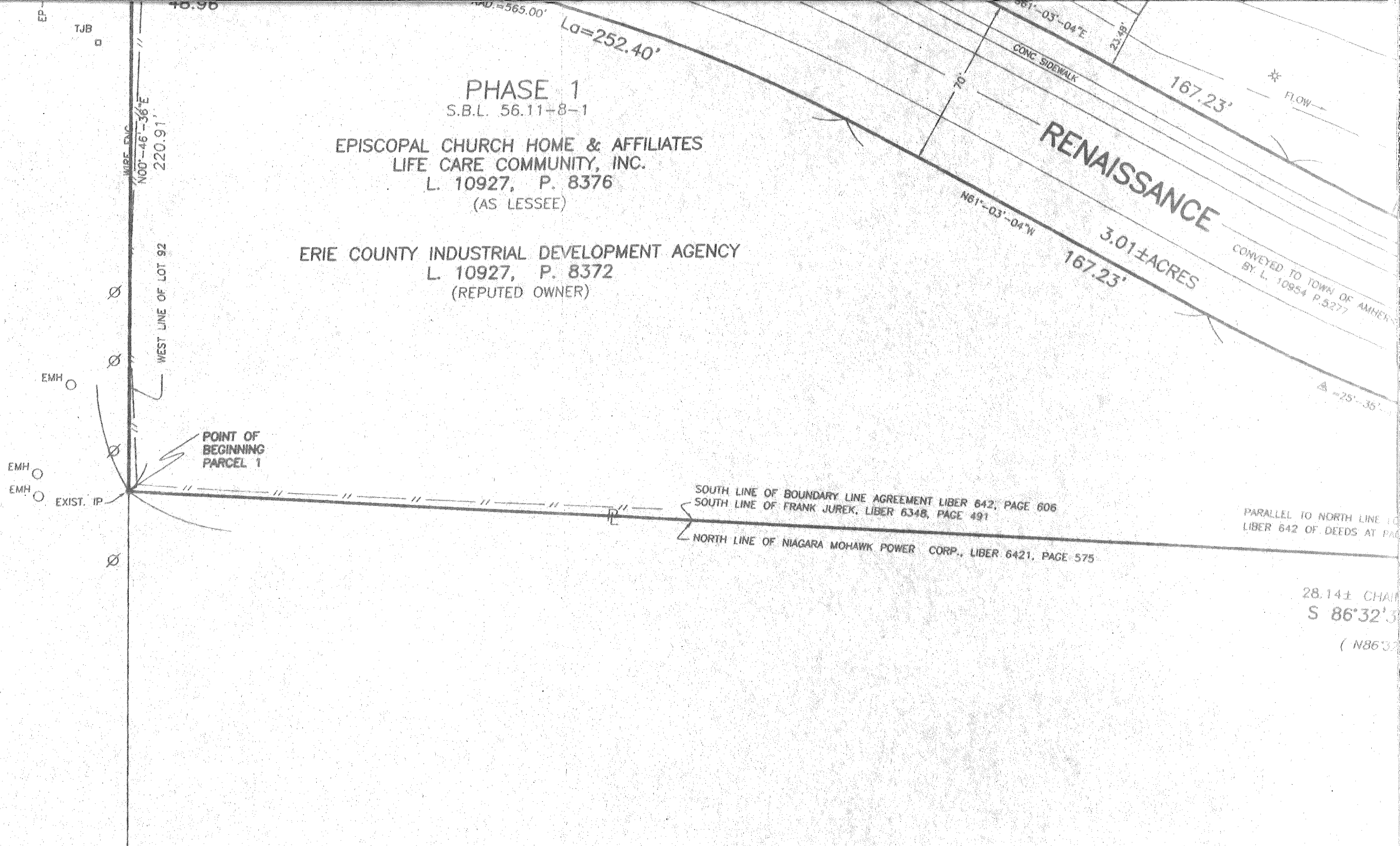
S.B.L. 56.11-8-1

EPISCOPAL CHURCH HOME & AFFILIATES
LIFE CARE COMMUNITY, INC.

L. 10927, P. 8376
(AS LESSEE)

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

L. 10927, P. 8372
(REPUTED OWNER)



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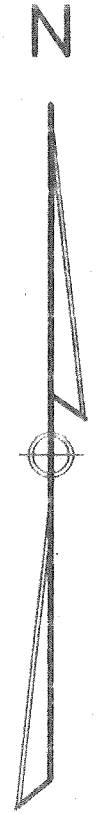
N 03°46'56" E 1204.41' MEAS.

33.0'

18.095± CHAINS = 111'

LEGEND

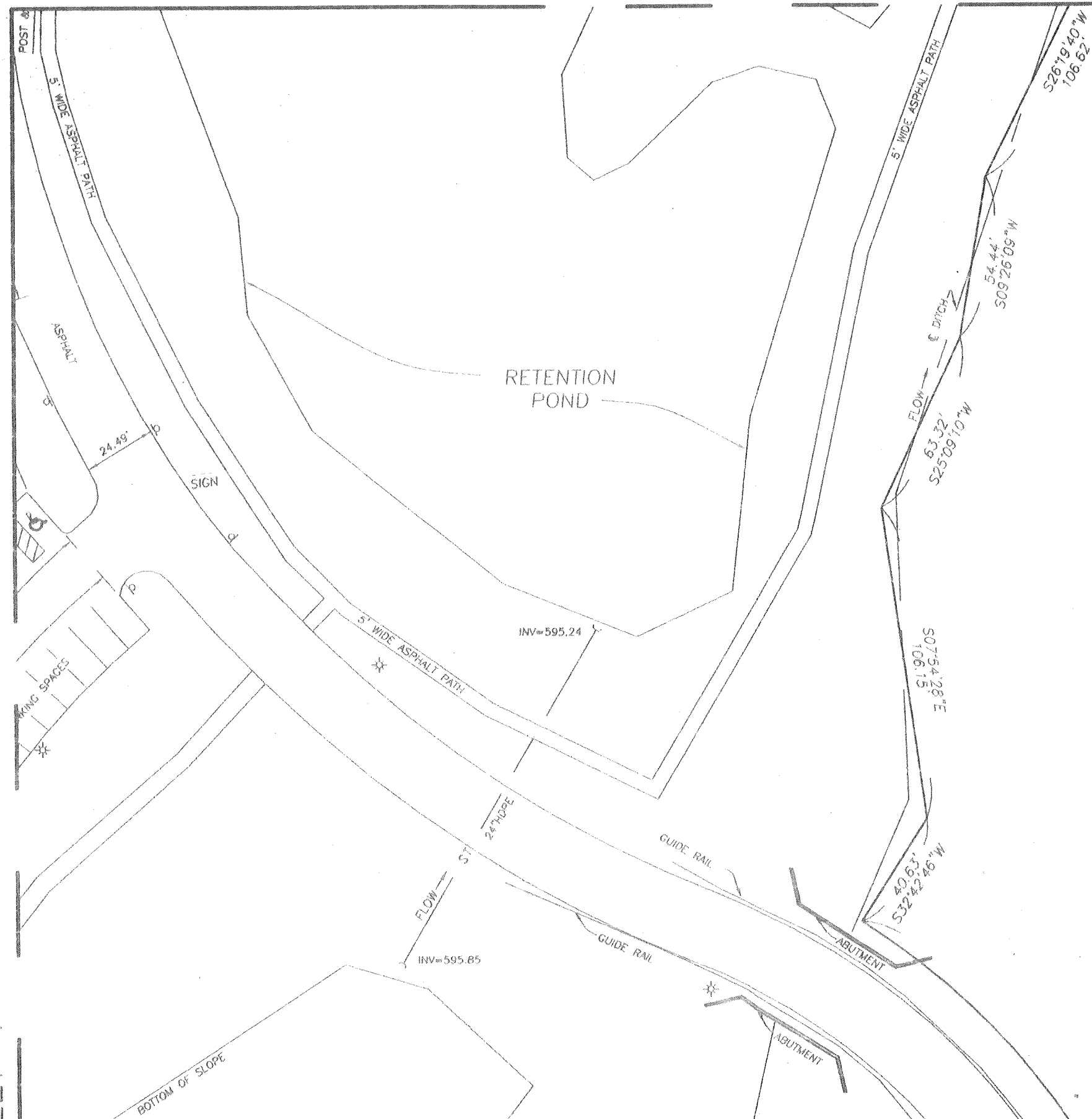
	---	FENCE UNLESS NOTED
	⌘	DOUBLE SIGN
	⌘	SIGN
GP	○	GUARD POSTS
FP	○	FLAG POLE
DI	□	DRAINAGE INLET
ST MH	○	STORM MANHOLE
SA MH	○	SANITARY MANHOLE
SCO	○	CLEANOUT/SEWER VENT
CO	○	CLEANOUT
	⊙	LIGHT STANDARD
UP	⊘	UTILITY POLE
UPL	⊘	UTILITY POLE W/ LIGHT
FLT	⊘	FLOOD LIGHT
WV	⊕	WATER VALVE
HYD	⊕	HYDRANT
INV	⌈	INVERT ELEVATION
CONC		CONCRETE
EP		EDGE OF PAVEMENT
TJB		TELEPHONE JUNCTION BOX
EMH	○	ELECTRIC MANHOLE
TMH	○	TELEPHONE MANHOLE
ASPH		ASPHALT
DS	○	DOWNSPOUT
DSU	○	DOWNSPOUT TO UNDERGROUND
DSA	○	DOWNSPOUT EMPTIES ABOVEGROUND



MATCH LINE TO SHEET 2



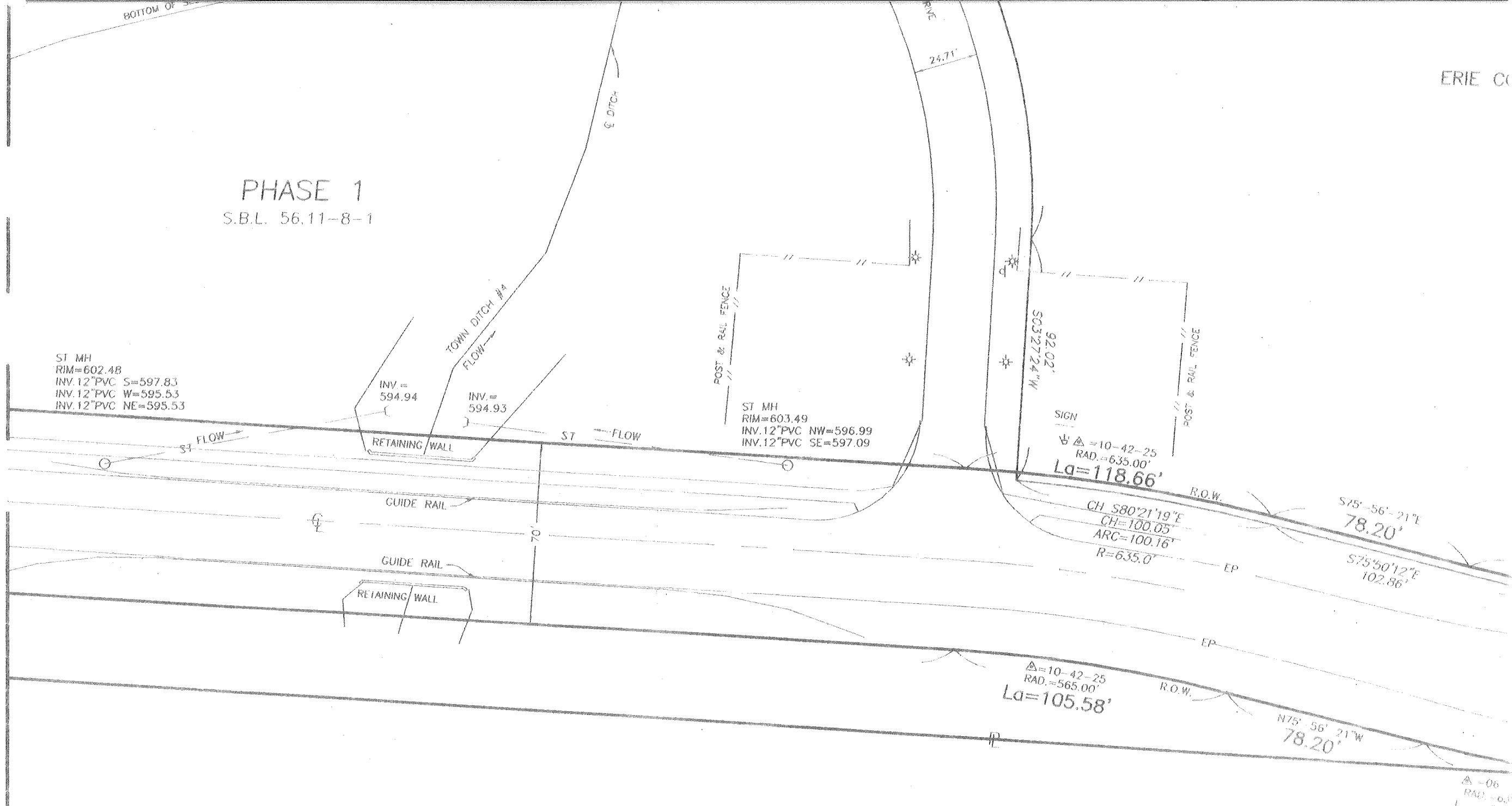
MATCH LINE TO SHEET



SHEET 4

MATCH LIN

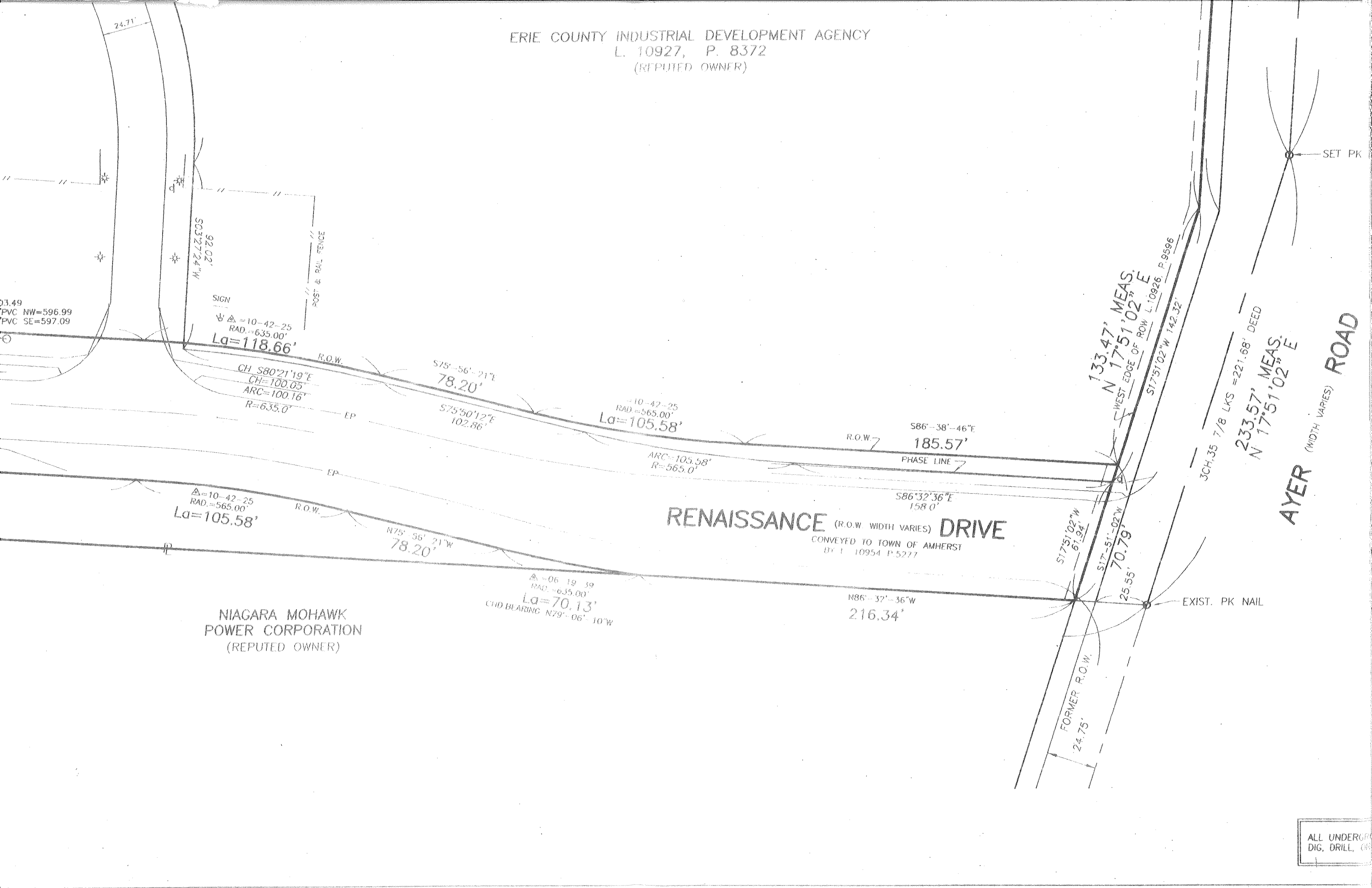
PHASE 1
S.B.L. 56.11-8-1



NIAGARA MOHAWK
POWER CORPORATION
(REPUTED OWNER)

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ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
L. 10927, P. 8372
(REPUTED OWNER)



03.49
PVC NW=596.99
PVC SE=597.09

92.02'
S0327'24"W

SIGN
△ = 10-42-25
RAD. = 635.00'
La = 118.66'

CH S80°21'19"E
CH = 100.05'
ARC = 100.16'
R = 635.0'

△ = 10-42-25
RAD. = 565.00'
La = 105.58'

NIAGARA MOHAWK
POWER CORPORATION
(REPUTED OWNER)

R.O.W.
S75°56'21"E
78.20'

EP
S75°50'12"E
102.86'

R.O.W.
N75°56'21"W
78.20'

△ = 06 19 39
RAD. = 635.00'
La = 70.13'
CHD BEARING N79°06'10"W

△ = 10-42-25
RAD. = 565.00'
La = 105.58'

ARC = 105.58'
R = 565.0'

RENAISSANCE (R.O.W. WIDTH VARIES) DRIVE
CONVEYED TO TOWN OF AMHERST
BY L. 10954 P. 5277

R.O.W.
S86°38'46"E
185.57'
PHASE LINE

S86°32'36"E
158.0'

N86°32'36"W
216.34'

S17°51'02"W
67.94'

S17°51'02"W
70.79'

133.47' MEAS.
N 17°51'02" E
WEST EDGE OF ROW L. 10926, P. 9596

S17°51'02"W 142.32'

25.55'

EXIST. PK NAIL

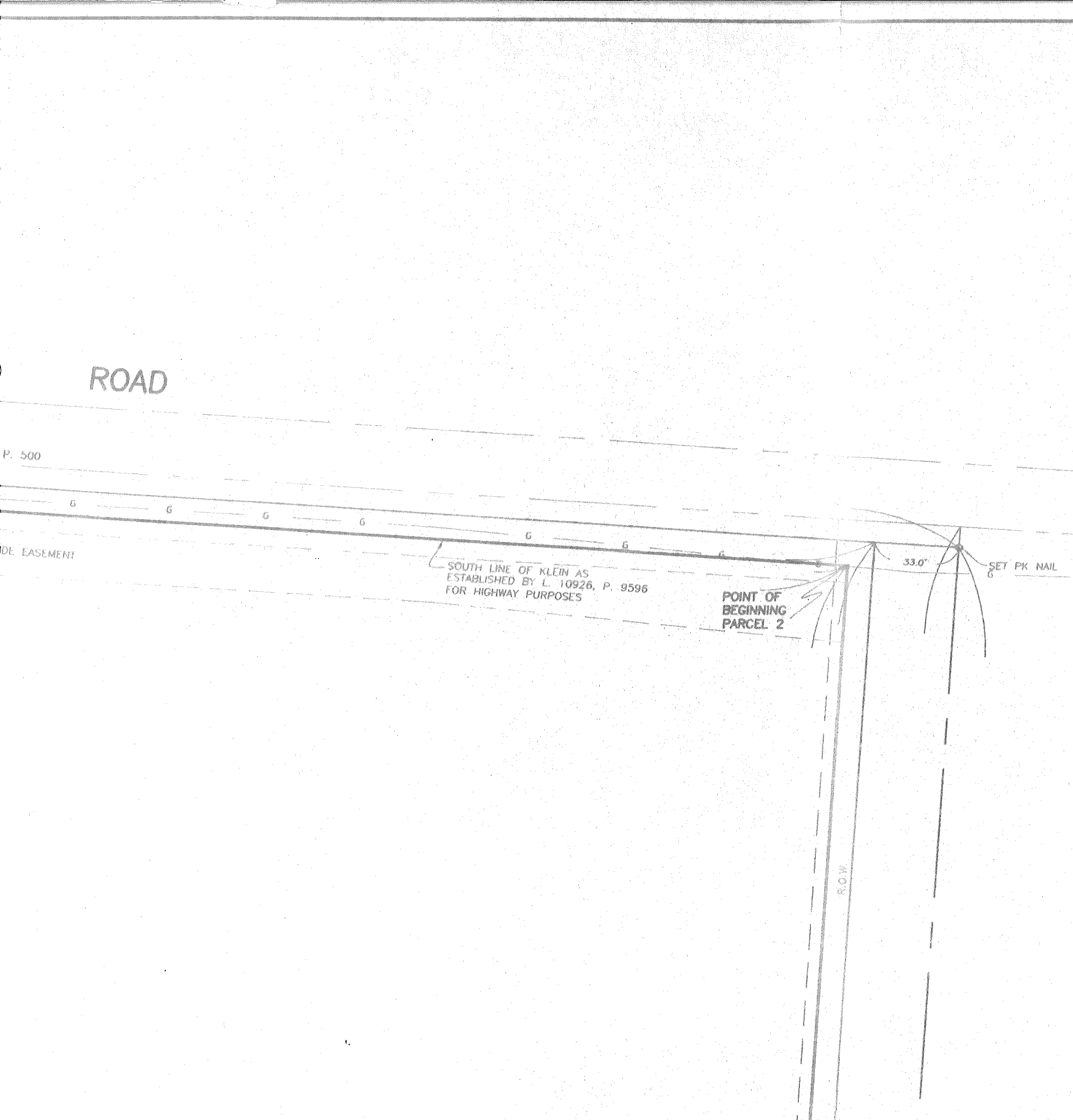
3CH, 35 7/8 LKS = 221.68' DEED
233.57' MEAS.
N 17°51'02" E

AYER (WIDTH VARIES) ROAD

ALL UNDERGROUND
DIG, DRILL, OR

LEGEND

	---	FENCE UNLESS NOTED
	⌘	DOUBLE SIGN
	⓪	SIGN
GP	○	GUARD POSTS
FP	○	FLAG POLE
DI	□	DRAINAGE INLET
ST. MH	○	STORM MANHOLE
SA MH	○	SANITARY MANHOLE
SCO	○	CLEANOUT/SEWER VENT
CO	○	CLEANOUT
	⊛	LIGHT STANDARD
UP	⊘	UTILITY POLE
UPL	⊘	UTILITY POLE W/ LIGHT
FLT	⊕	FLOOD LIGHT
WV	⊕	WATER VALVE
HYD	⊕	HYDRANT
INV	(INVERT ELEVATION
CONC		CONCRETE
EP		EDGE OF PAVEMENT
TJB		TELEPHONE JUNCTION BOX
EMH	○	ELECTRIC MANHOLE
TMH	○	TELEPHONE MANHOLE
ASPH		ASPHALT
DS	○	DOWNSPOUT
DSU	○	DOWNSPOUT TO UNDERGROUND
DSA	○	DOWNSPOUT EMPTIES ABOVEGROUND



ROAD

P. 500

SIDE EASEMENT

SOUTH LINE OF KLEIN AS
ESTABLISHED BY L. 10926, P. 9596
FOR HIGHWAY PURPOSES

POINT OF
BEGINNING
PARCEL 2

33.0°

SET PK NAIL
6

R.O.W.

AYER ROAD

KLEIN (WIDTH VARIES) ROAD

S 86°32'36" W 1343.45' MEAS.

EASEMENT TO THE TOWN OF AMHERST
LIBER. 7099 OF DEEDS AT PAGE 602

SOUTH LINE OF KLEIN AS
ESTABLISHED BY L. 2022, P. 500

N 86°32'36" W 1944.62' MEAS.

SOUTH LINE OF 40' WIDE EASEMENT
L. 10976, P. 9580

PHASE 1
S.B.L. 56.11-8-1

PHASE 2
S.B.L. 56.11-8-1./A

TO CENTERLINE OF AYER ROAD

KLEIN

S 86°32'36" W 1343.45' MEAS.

N 86°32'36" W 1944.62' MEAS.

EASEMENT TO THE TOWN OF AMHERST
LIBER 7099 OF DEEDS AT PAGE 602

TOP OF BANK

TOP OF BANK

395.78'

PHASE 1
S.B.L. 56.11-8-1

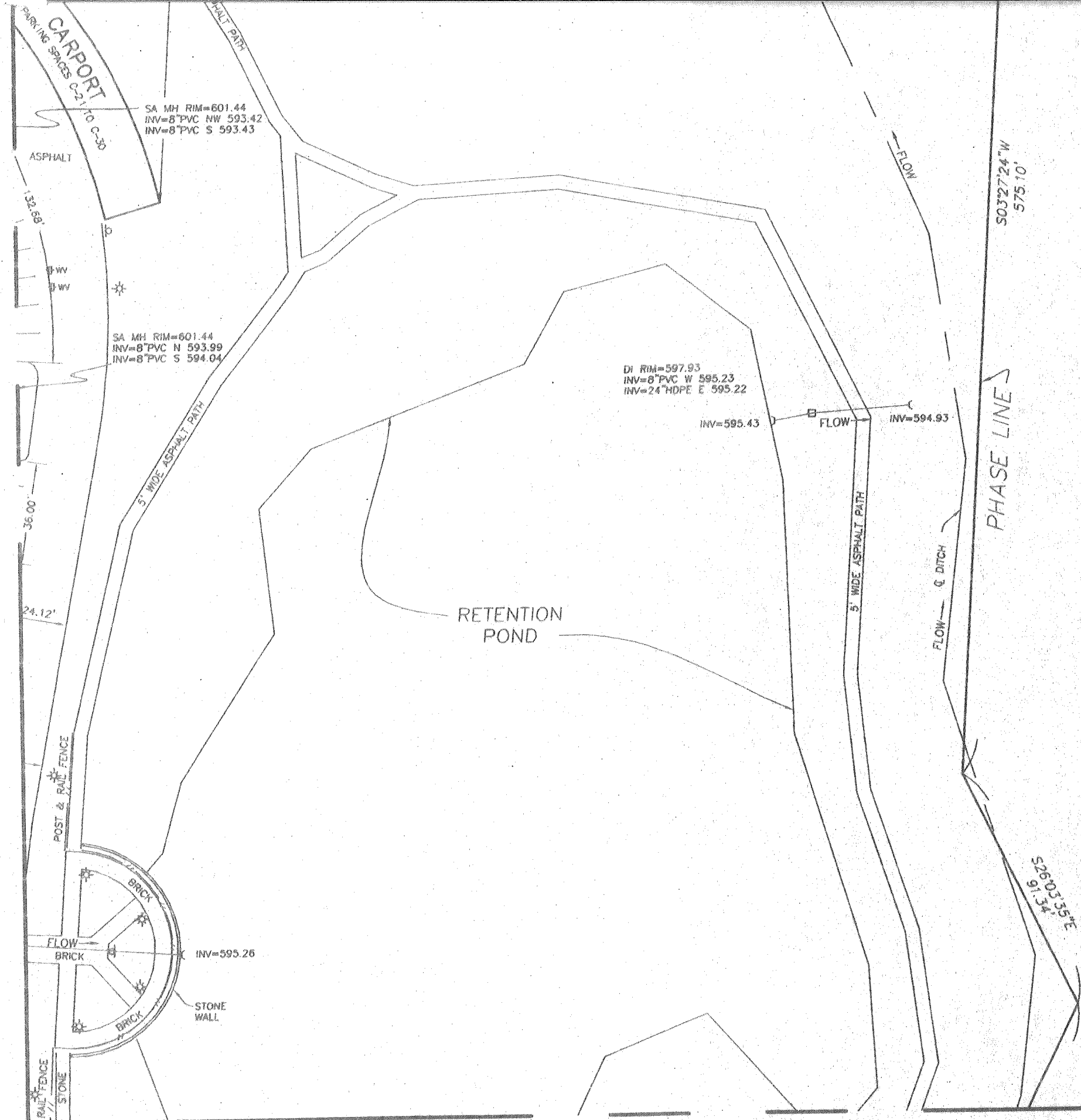
PHASE 2
S.B.L. 56.11-8-1./A

SHEET 1

SOUTH L
ESTABLIS

SOU
L. TU

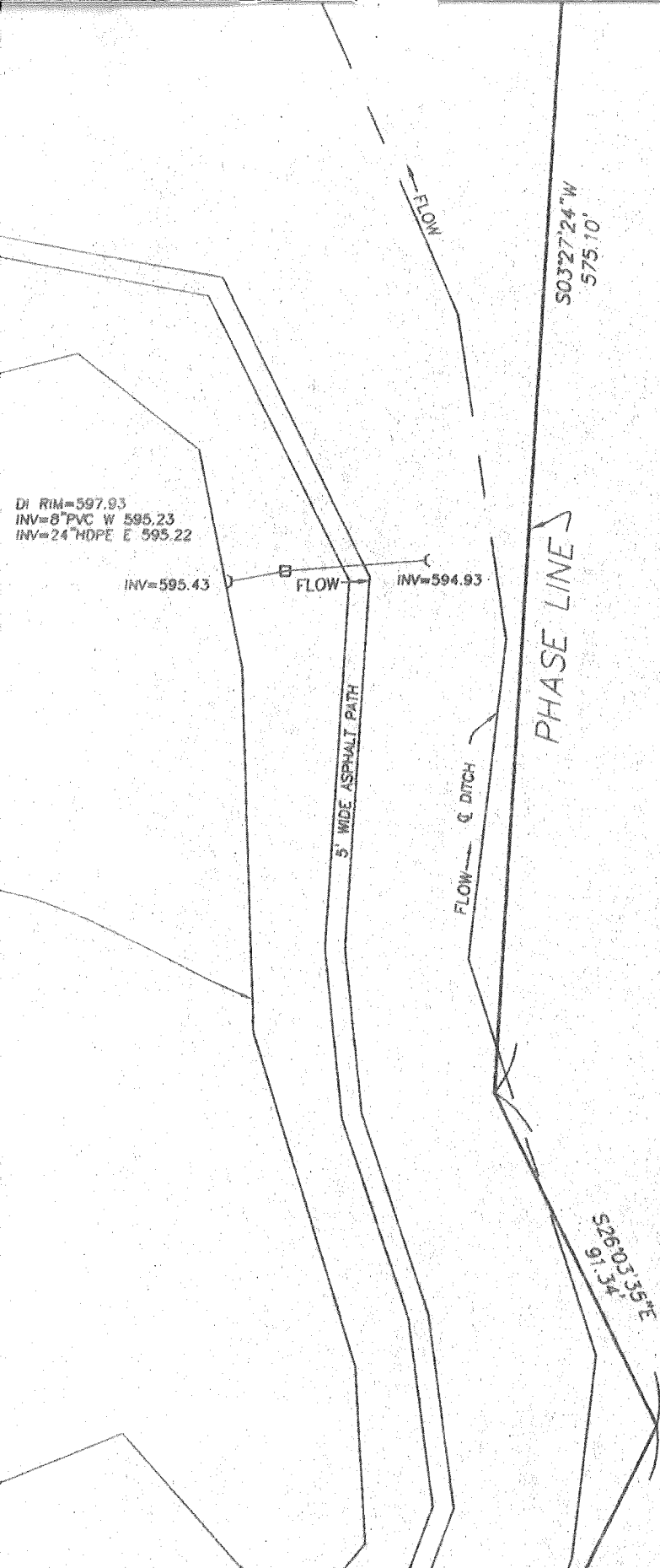
MATCH LINE



EPISCO
ERIE COUNTY

MATCH LINE TO SHE

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EPISCOPAL CHURCH HOME & AFFILIATES
 LIFE CARE COMMUNITY, INC.
 L. 0927, P. 8376
 (AS LESSEE)

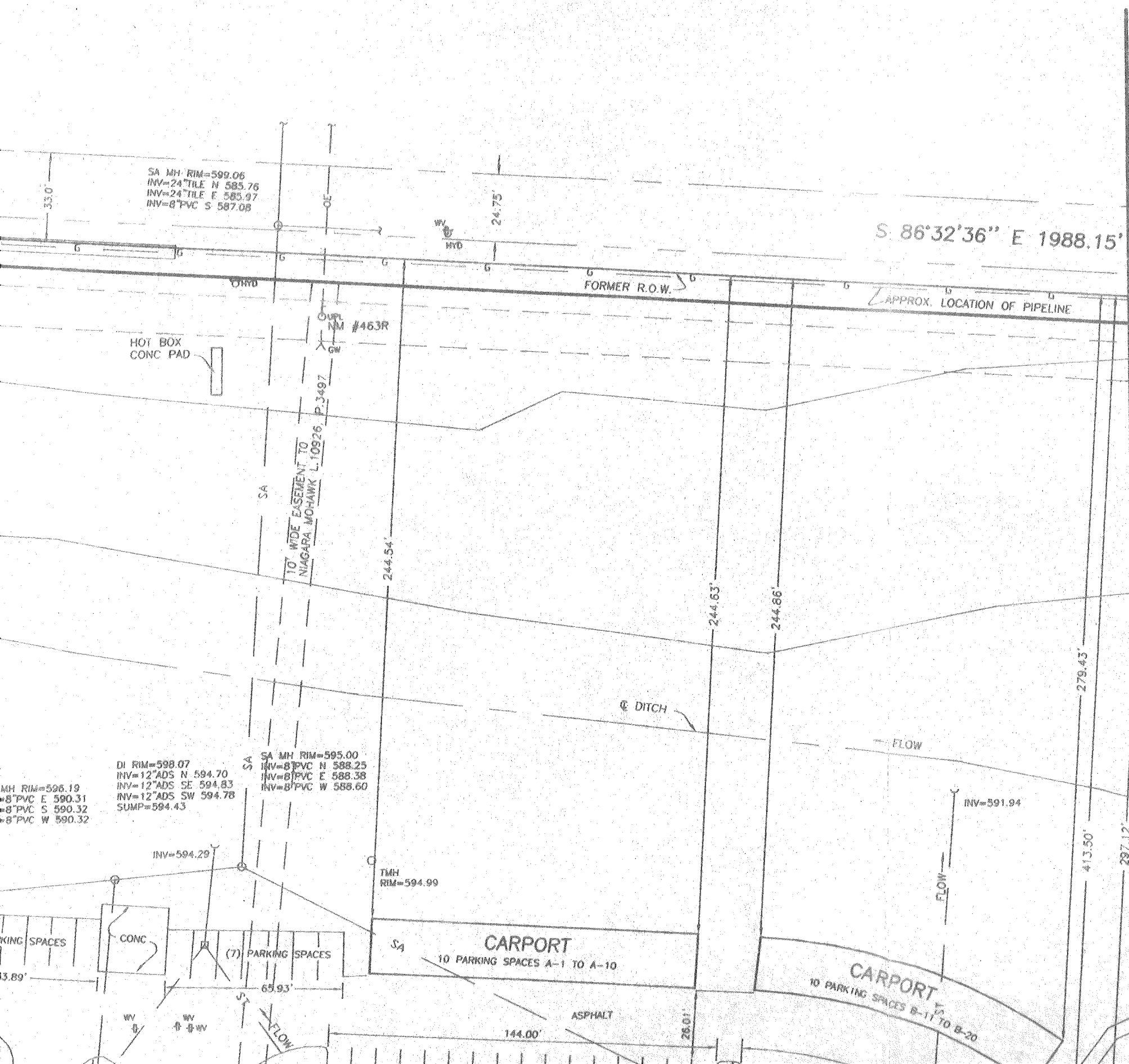
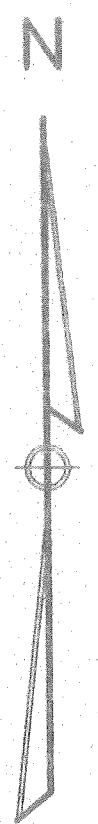
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 L. 0927, P. 8372
 (REPUTED OWNER)

601 RENAISSANCE DRIVE
 L. 56.11-8-1./A

MATCH LINE TO SHEET 3

LEGEND

	---	FENCE UNLESS NOTED
	⊞	DOUBLE SIGN
	⊞	SIGN
GP	○	GUARD POSTS
FP	○	FLAG POLE
DI	⊞	DRAINAGE INLET
ST MH	○	STORM MANHOLE
SA MH	○	SANITARY MANHOLE
SCO	○	CLEANOUT/SEWER VENT
CO	○	CLEANOUT
	⊞	LIGHT STANDARD
UP	⊞	UTILITY POLE
UPL	⊞	UTILITY POLE W/ LIGHT
FLT	⊞	FLOOD LIGHT
WV	⊞	WATER VALVE
HYD	⊞	HYDRANT
INV	(INVERT ELEVATION
CONC		CONCRETE
EP		EDGE OF PAVEMENT
TJB		TELEPHONE JUNCTION BOX
EMH	○	ELECTRIC MANHOLE
TMH	○	TELEPHONE MANHOLE
ASPH		ASPHALT
DS	○	DOWNSPOUT
DSU	○	DOWNSPOUT TO UNDERGROUND
DSA	○	DOWNSPOUT EMPTIES ABOVEGROUND



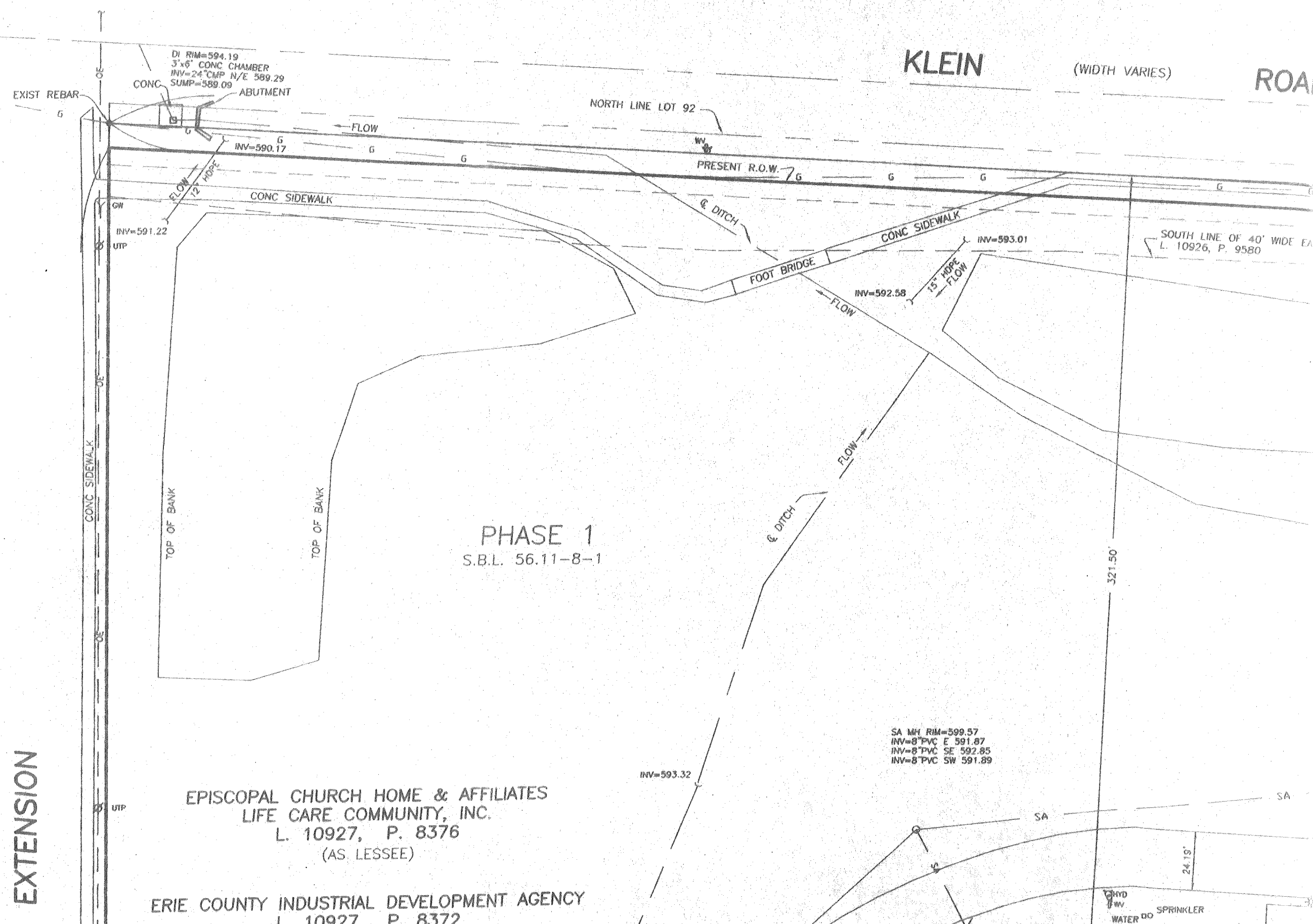
PREMISES SUBJECT TO:

- EASEMENT GRANTED TO NIAGARA MOHAWK POWER CORP. AND NEW YORK TELEPHONE CO. IN L. 6511 OF DEEDS AT P. 565, ALL POLES, ANCHORS, GUY WIRES, PUSH BRACES AND CONDUITS, ADJACENT TO REAR AND OR SIDE LOT LINES, UNABLE TO PLOT ON SURVEY
- DECLARATION OF RESTRICTIONS AS RECORDED IN L. 10921 OF DEEDS AT P. 9109
- DECLARATION OF RESTRICTIONS AS RECORDED IN L. 10926 OF DEEDS AT P. 9587
- EASEMENT GRANTED TO TOWN OF AMHERST AS RECORDED IN L. 7099 OF DEEDS AT P. 602 AS SHOWN ON SURVEY.
- EASEMENT GRANTED TO TOWN OF AMHERST AS RECORDED IN L. 7445 OF DEEDS AT P. 469 AS SHOWN ON SURVEY.
- EASEMENT AS RECORDED IN L. 2703 OF DEEDS AT P. 158 AND AMENDED IN L. 10926 OF DEEDS AT P. 9580 FOR PIPELINE AS SHOWN ON SURVEY.
- EASEMENT GRANTED TO NIAGARA MOHAWK POWER CORP. AND NEW YORK TELEPHONE CO. d/b/a NYNEX AS RECORDED IN L. 10926 OF DEEDS AT PAGE 3497 AS SHOWN ON SURVEY.

NOTES:

SHEET 1

KLEIN ROAD (WIDTH VARIES)



EXTENSION

DI RIM=594.19
3'x6' CONC CHAMBER
INV=24' CMP N/E 589.29
SUMP=589.09

EXIST REBAR

NORTH LINE LOT 92

PRESENT R.O.W.

CONC SIDEWALK

CONC SIDEWALK

FOOT BRIDGE

TOP OF BANK

TOP OF BANK

PHASE 1
S.B.L. 56.11-8-1

EPISCOPAL CHURCH HOME & AFFILIATES
LIFE CARE COMMUNITY, INC.
L. 10927, P. 8376
(AS LESSEE)

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
L. 10927, P. 8372

SA MH RIM=599.57
INV=8" PVC E 591.87
INV=8" PVC SE 592.85
INV=8" PVC SW 591.89

HYD
WATER BOX
SPRINKLER

YOUNGS

N 00°46'36" E 1403.78' MEAS.

WEST LINE LOT 92

SA MH RIM=599.83
INV=8" PVC N 592.91
INV=8" PVC S 593.00

DI RIM=598.44
INV=24" ADS N 594.16
INV=12" ADS E 594.14
INV=18" ADS S 594.08
SUMP=593.88

SA MH RIM=601.09
INV=8" PVC N 593.67
INV=6" PVC E 594.51
INV=8" PVC S 594.69

DI RIM=598.75
INV=18" ADS N 595.20
INV=12" ADS E 595.18
INV=18" ADS S 595.18
SUMP=594.53

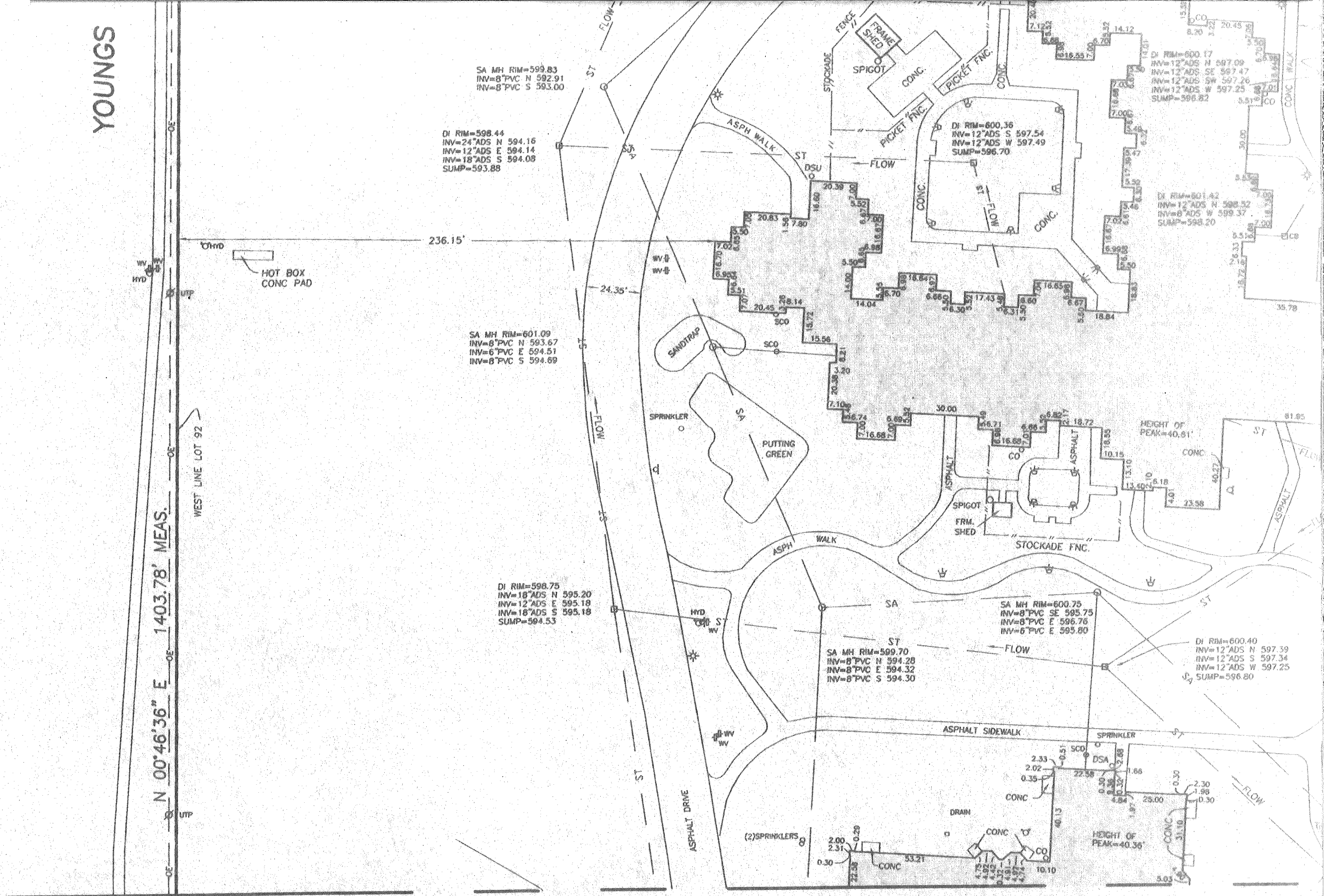
SA MH RIM=600.75
INV=8" PVC SE 595.75
INV=8" PVC E 596.76
INV=6" PVC E 595.80

SA MH RIM=599.70
INV=8" PVC N 594.28
INV=8" PVC E 594.32
INV=8" PVC S 594.30

DI RIM=600.40
INV=12" ADS N 597.39
INV=12" ADS S 597.34
INV=12" ADS W 597.25
SUMP=596.80

DI RIM=601.42
INV=12" ADS N 598.52
INV=8" ADS W 599.32
SUMP=598.20

DI RIM=600.17
INV=12" ADS N 597.09
INV=12" ADS SE 597.47
INV=12" ADS SW 597.26
INV=12" ADS W 597.25
SUMP=596.82



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WILLIAMSVILLE CENTRAL SCHOOL DISTRICT

Administrative Center

105 CASEY ROAD • P.O. BOX 5000 • EAST AMHERST, NY 14051-5000

INVOICE NO. 35483

S DAVID STASZAK
 O L EPISCOPAL CHURCH HOME
 D Z4 RHODE ISLAND
 T BUFFALO NY 14213
 O

S H I P T O

RECEIVED TIME JUN 14 2:51PM

QUANTITY	DESCRIPTION	PRICE	AMOUNT
	2004-2005 IN LIEU OF TAXES. SBL#56.11-8-1 CANTERBURY WOODS PHASE I ASSESSMENT: \$21,500,000 TAX RATE: 19.939885 PAYMENT DUE NO LATER THAN OCTOBER 15, 2004	526	417.00
	TOTAL DUE		\$526,417.00

CHECKS ARE TO BE MADE PAYABLE TO WILLIAMSVILLE CENTRAL SCHOOL DISTRICT AND FORWARDED TO THE ABOVE ADDRESS.

ORIGINAL

Williamsville Central School District

Vendor Code:

87816

Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
04-05 tax		09/18/2004	326,417.00	0.00	0.00	326,417.00

Check Date:	10/05/2004	Check #:	000008534	Totals:	326,417.00	0.00	0.00	326,417.00
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Williamsville Central School District

Vendor Code:

87816

Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount
04-05 tax		09/18/2004	326,417.00	0.00	0.00	326,417.00

Check Date:	10/05/2004	Check #:	000008534	Totals:	326,417.00	0.00	0.00	326,417.00
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INVOICE

WILLIAMSVILLE CENTRAL SCHOOL DISTRICT

Administrative Center

105 CASEY ROAD • P.O. BOX 5000 • EAST AMHERST, NY 14051-5000

INVOICE NO.
35484

**S
O
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O**
DAVID STASZAK
EPISCOPAL CHURCH HOME
24 RHODE ISLAND
BUFFALO NY 14213

**S
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O**

ORDER NO.	SALESMAN	TERMS	DATE SHIPPED	SHIPPED VIA	ROB	DATE
	BERMAN	NET 15 D				09/24/04
QUANTITY	DESCRIPTION				PRICE	AMOUNT

2004-2005 IN LIEU OF TAXES SBL#56.11-8-1./A
 CANTERBURY WOODS PHASE II
 ASSESSMENT: \$875,000
 TAX RATE: 19.939886
 PAYMENT DUE NO LATER THAN OCTOBER 15, 2004

17,447.40

TOTAL DUE

\$17,447.40

C B

CHECKS ARE TO BE MADE PAYABLE TO WILLIAMSVILLE CENTRAL SCHOOL DISTRICT AND FORWARDED TO THE ABOVE ADDRESS.

BUSINESS OFFICE COPY

\$ 17,447.40

**ERIE COUNTY DEPARTMENT OF FINANCE
 PAYMENT-IN-LIEU-OF-TAX
 (PILOT) INVOICE
 TAX YEAR JANUARY 1, 2004 TO DECEMBER 31, 2004**



ASSESSED TO:

EPISCOPAL CHURCH HOME & AFFILIATES
 JAMES JULIANO
 24 RHODE ISLAND
 BUFFALO, NY 14213

MUNICIPALITY Town Amherst
 SWIS/SBL # 142289 56.11-8-1
 PROPERTY LOCATION
 690-800 AYER RD

AGENCY ECIDA
 ASSESSED VALUE 21,500,000
 TAX RATE 4.536561

PAYMENT-IN-LIEU-OF-TAXES due to the County of Erie for property leased through I.D.A. agreement.

INVOICE NO. 507 AMOUNT DUE \$97,536.06

Payment due by 2/17/2004.

Make checks, drafts or money orders PAYABLE TO:

**ERIE COUNTY TAX
 95 FRANKLIN STREET ROOM 100
 BUFFALO, NEW YORK 14202**

*Schedule
 38/25*

OB

*** \$20.00 FEE FOR EACH RETURNED CHECK *

Concerns or questions regarding your bill can be e-mailed with your calculations and backup to pilot@erie.gov or faxed to 858-8837. We will review your information with our files then contact you. Telephone inquiries can be made to 858-6783.

For payments made after February 17, 2004, penalties should be added per the terms and conditions of your pilot contract.

If you have any questions regarding your contract, please contact your I.D.A.

Checks should be made payable to: ERIE COUNTY TAX
 MAIL TO: Erie County Tax Department, Room 100
 95 Franklin Street Buffalo, New York 14202

ERIE COUNTY DEPARTMENT OF FINANCE

PAYMENT-IN-LIEU-OF-TAX

(PILOT) INVOICE

TAX YEAR JANUARY 1, 2004 TO DECEMBER 31, 2004



ASSESSED TO:

EPISCOPAL CHURCH HOME & AFFILIATES
JAMES JULIANO
24 RHODE ISLAND
BUFFALO, NY 14213

MUNICIPALITY Town Amherst
SWIS/SBL# 142289 56.11-8-1./1
PROPERTY LOCATION
RENAISSANCE DR.

AGENCY ECIDA
ASSESSED VALUE 875,000
TAX RATE 4.536561
PROPERTY VALUE 875,000
PROPERTY TAX 39,694.90

PAYMENT-IN-LIEU-OF-TAXES due to the County of Erie for property leased through I.D.A. agreement.

INVOICE NO. 574

AMOUNT DUE \$3,969.49

Payment due by 2/17/2004.

Make checks, drafts or money orders PAYABLE TO:

ERIE COUNTY TAX
95 FRANKLIN STREET ROOM 100
BUFFALO, NEW YORK 14202

*** \$20.00 FEE FOR EACH RETURNED CHECK *

Concerns or questions regarding your bill can be e-mailed with your calculations and backup to pilot@erie.gov or faxed to 858-8837. We will review your information with our files then contact you. Telephone inquiries can be made to 858-6783.

For payments made after February 17, 2004, penalties should be added per the terms and conditions of your pilot contract.

If you have any questions regarding your contract, please contact your I.D.A.

Checks should be made payable to: ERIE COUNTY TAX
MAIL TO: Erie County Tax Department, Room 100
95 Franklin Street Buffalo, New York 14202

UP

Erie County Tax

Erie County Tax						Vendor Code:	29375
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount	
507		01/01/2004	97,536.06	0.00	0.00	97,536.06	
574		01/01/2004	3,969.49	0.00	0.00	3,969.49	
Check Date: 02/02/2004			Check #: 000006523		Totals:		
			101,505.55	0.00	0.00	101,505.55	

Canterbury Woods - Canterbury Woods - Canterbury Woods - Canterbury Woods - Canterbury Woods - Canterbury Woods - Canterbury Woods - Canterbury Woods - Canterbury Woods - Canterbury Woods - Can



130 John Muir Drive, Suite 300
 Amherst, NY 14228-1148
 Tel: 716.688.9000 Fax: 716.688.0205
 www.amherstida.com

January 27, 2004

Episcopal Church Homes
 24 Rhode Island Street
 Buffalo, New York 14213

-REMIT TO-

Town of Amherst Industrial
 Development Agency

2004 Payment in Lieu of Town Tax
 Canterbury Woods Phase I

Amount Due

2004 Amount Due Per PILOT Agreement

\$83,843.00

rb
CB

To avoid penalty charges, payment is due in our offices on or before ~~February 15, 2004~~

Amherst Industrial Development Agency
 Amherst Development Corporation

RECEIVED TIME JUN. 14. 2:51PM

INVOICE

2004

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY
PAYMENT IN LIEU OF
TOWN TAXES

Company	Epsicopal Church Home - Phase II	SBL Number	56.11-8-1/A
Address	Canterbury Woods Phase II 601-681 Renaissance Drive Amherst NY 14228	Land Assessment	\$875,000
		Total Assessment	\$875,000
		Taxable Assessment	\$875,000

Taxes based on taxable assessment:

Town of Amherst PILOT

General Town Tax	\$3.990329
Highway Tax	\$1.309622

Total Due

\$3,491.54
\$1,145.92

Total Town PILOT Due \$4,637.46

ok
CB

Total Town PILOT is payable and due NO LATER than February 17, 2004

Any payments made after 2/17/04 should include the following penalty charge:

- February 18 - March 1 Inclusive 1.5%
- March 2 - March 15 Inclusive 3%
- March 16 - March 31 Inclusive 4.5%
- April 1 - April 15 Inclusive 6%
- April 16 - April 30 Inclusive 7.5%

Property begins (began) to pay full taxes in

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 Print your name and address on the reverse so that we can return the card to you.
 Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 Town of Amherst Industrial
 Development Agency
 130 John Deer Dr.
 Suite 300

A. Received by (Please Print Clearly) *J. Blum* B. Date of Delivery *2/12*
 C. Signature *J. Blum* Agent Addressee
 D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Copy from service label)
 7099 3400 0013 4140 6797

PS Form 3811, July 1999 Domestic Return Receipt 102595-00-1

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only. No Insurance Coverage Provided)

Article Number: 7099 3400 0013 4140 6797

Postage \$
 Certified Fee \$
 Return Receipt Fee (Endorsement Required) \$
 Restricted Delivery Fee (Endorsement Required) \$
 Total Postage & Fees \$

Postmark: **BUFFALO NY**
FEB 11 2004

Name (Please Print Clearly) (to be completed by the addressee)
 Development Agency
 Street, Apt. No. or PO Box No.
 130 John Deer Dr. Suite 300
 City, State, ZIP+4
 Amherst NY 14228-1148

Town Of Amherst Industrial					Vendor Code:	81920	
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount	
02004		01/27/2004	83,843.00	0.00	0.00	83,843.00	
Check Date:	02/09/2004	Check #:	0000006585	Totals:	83,843.00	0.00	83,843.00

Canterbury Woods - Canterbury Woods - Canterbury Woods - Canterbury Woods - Canterbury Woods - Canterbury Woods - Canterbury Woods - Canterbury Woods - Canterbury Woods - Canterbury Woods - C

RECEIVED TIME JUN. 14. 2:51PM

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 Print your name and address on the reverse so that we can return the card to you.
 Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 TOWN OF Amherst Industrial
 Development Agency
 130 John Muir Dr.
 Suite 300
 Amherst NY 14228-1148

2. Article Number (Copy from service label)
 7099 3400 0013 4140 6803

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

A. Received by (Please Print Clearly) *J Blum* B. Date of Delivery *2/10*
 C. Signature *J Blum* Agent Addressee
 D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

PS Form 3811, July 1999 Domestic Return Receipt 102595-00-M

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage Provided)

Article Sent To:
 TOWN OF Amherst Industrial
 Amherst, NY 14228

Postage \$
 Certified Fee \$
 Return Receipt Fee (Endorsement Required) \$
 Restricted Delivery Fee (Endorsement Required) \$
 Total Postage & Fees \$

Postmark
 FEB 11 2004

Name (Please Print Clearly) (to be completed by recipient)
 Development Agency
 Street, Apt. No., or PO Box No.
 130 John Muir Dr. Suite 300
 City, State, ZIP+4
 Amherst NY 14228-1148

PS Form 3811, July 1999 See Reverse for Instructions

Town Of Amherst Industrial					Vendor Code:	81920		
Invoice No.	Description	Date	Amount	Discount	Withheld	Net Amount		
own Taxes		02/01/2004	4,637.46	0.00	0.00	4,637.46		
Check Date:	02/09/2004	Check #:	0000006586	Totals:	4,637.46	0.00	0.00	4,637.46



Phillips Lytle LLP

Erie County Industrial Development
Agency
275 Oak Street
Buffalo, New York 14203

June 17, 2005

KeyBank National Association
127 Public Square
Cleveland, Ohio 44104

Re: Episcopal Church Home & Affiliates Life Care Community, Inc.

Dear Ladies and Gentlemen:

We have acted as counsel for Episcopal Church Home & Affiliates Life Care Community, Inc., a New York not-for-profit corporation (the "Company"), in connection with the negotiation, execution and delivery of the following documents (all dated as of June 17, 2005, unless otherwise stated):

1. Construction Loan Agreement between the Company and KeyBank National Association ("Lender"),
2. Project Loan Agreement between the Company and Lender,
3. Construction Loan Note from the Company to Lender,
4. Project Loan Note from the Company to Lender,
5. Construction Loan Mortgage from the Company and the Erie County Industrial Development Agency ("IDA") to Lender,
6. Project Loan Mortgage from the Company and the IDA to Lender,
7. Assignment of Leases and Rents from the Company to Lender,

NYC Doc. # 295270.5

ATTORNEYS AT LAW



8. Security Agreement (All Assets) from the Company to Lender ("Security Agreement"),
9. Intercreditor Agreement among the Company, Lender, IDA and Manufacturers and Traders Trust Company, as Trustee ("Trustee"),
10. Amendment to Lease Agreement between IDA and the Company,
11. Amendment to PILOT Agreement between IDA and the Company,
12. Amended Memorandum of Lease Agreement between IDA and the Company,
13. Environmental Compliance and Indemnification Agreement from the Company to IDA,
14. Environmental and Hazardous Substance Indemnity Agreement from the Company to Lender, and
15. Assignment of Construction Documents from the Company to Lender.

The documents listed at Items 1 through 15 above are collectively referred to herein as the "Loan Documents."

We have made such investigations and examined such certificates of public officials, documents, company records, instruments and matters of law as we have deemed necessary or appropriate for the purposes of this opinion including, without limitation, the Loan Documents. We are familiar with the proceedings taken by the Company in connection with the Loan Documents.

Based upon the foregoing and having regard to legal considerations which we deem relevant, it is our opinion that:



1. The Company is a New York not-for-profit corporation duly organized, validly existing and in good standing under the laws of New York.
2. The execution, delivery and performance by the Company of the Loan Documents and compliance with their respective terms, (a) are within the corporate power of the Company and (b) have been duly authorized by all necessary corporate action of the Company.
3. The Loan Documents have been duly executed and delivered by the Company and are the legal, valid and binding obligations of the Company and are enforceable against the Company in accordance with their respective terms.
4. The execution and delivery by the Company of the Loan Documents and compliance with their respective terms, do not and will not (a) violate the Certificate of Incorporation or By-Laws of the Company or (b) violate or constitute an event of default under or breach of, any agreement or instrument of which we have knowledge, after inquiry of certain officers of the Company, to which the Company is a party or by which the Company or its property or assets are bound or (c) result in a violation of any applicable law, statute, ordinance or regulation, or any judgment, order, writ, injunction, decree or rule or any court or other agency of government or of any determination or award of any arbitrator or (d) to our knowledge, result in the creation of any lien on any property of the Company, except as contemplated by the Loan Documents. No approval, authorization or other action by any state or federal governmental authority is required in connection with the execution and delivery of the Loan Documents by the Company except for approvals, consents and authorizations which have obtained and are in full force and effect.



5. To our knowledge after inquiry of certain officers of the Company, the Company is not a party to any litigation or administrative proceeding or governmental action that question, or could lead to a result that could impair, the validity of any of the Loan Documents or that would, if adversely determined, cause any material adverse change in the assets and properties of, or any material impairment of the right to carry on the business as now conducted by, or would cause any material adverse effect on the financial condition of, the company.
6. The Company is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") and, to the best of our knowledge after inquiry of certain officers of the Company, (i) the Company has done nothing to impair its status as an exempt organization, and (ii) no proceedings are pending or threatened in any way contesting or affecting the status as a Section 501(c)(3) organization.
7. Based upon our review of copies of same, the Company has obtained the Certificate of Authority and the Certificate of Authorization for this phase of the project issued by the New York State Commissioner of Health under Article 46 of the Public Health Law of the State of New York.
8. The provisions of the Security Agreement are sufficient to create a valid security interest in favor of the Lender in all right, title and interest of the Company in the items and types of collateral described in the Security Agreements (such items and types of property being herein referred to as the "Collateral") and in which a security interest can be created under Article 9 of the Uniform Commercial Code.



9. The financing statement provided to us is in proper form for filing with the New York Secretary of State and upon such filing, the Lender's security interest in personal property granted pursuant to the Security Agreement will be perfected to the extent such security interest can be perfected by such filing of a financing statement.

As to various questions of fact material to our opinion, we have made diligent inquiry of the Company, and relied upon certificates and written statements of the Company. We have assumed that the mortgages and financing statements will be duly recorded or filed as appropriate in the Office of the Clerk of the County of Erie, and that a Financing Statement will be duly filed with the New York State Department of State and any other requisite office required under revised Article 9 of the New York Uniform Commercial Code.

We understand that with respect to title matters you will be relying on the certificate of title and/or the lender's title insurance policy issued to you by Ticor Title Insurance Company. We have not made any investigation of, and do not express an opinion as to, any matters of title to or the descriptions of any property (whether real, personal or combination thereof) or with respect to the priority of liens.

We express no opinion with respect to the effect of any law other than the law of the State of New York and the Federal law of the United States.

In our examination of the Loan Documents, we have assumed the genuineness of all signatures (other than signatures of representatives of the Company), the authenticity of documents submitted to us as originals, and the conformity to the original documents of all documents submitted to us as copies. We have also assumed the execution and delivery of all of the Loan Documents by parties to the Loan Documents other than the Company, and the enforceability of the Loan Documents against all parties other than the Company. When in this letter we indicate that our opinions are based upon our knowledge, we mean actual knowledge attributable to our representation of the Company in connection with the transactions contemplated by the Loan Documents.



Our opinion concerning the validity, binding effect or enforceability of each of the Loan Documents (a) means that (i) each constitutes an effective contract under applicable law, (ii) each is not invalid in its entirety under applicable law because of a specific statutory prohibition or public policy and is not subject in its entirety to a contractual defense under applicable law, and (iii) adequate remedies for realization of the principal benefits under each of the Loan Documents and any security therefor available under applicable law, but (b) does not mean that (i) any particular remedy is available under applicable law upon such material default or (ii) every provision of each of the Loan Documents will be upheld or enforced in any or each circumstance by a court applying applicable law and equity.

Our opinion is further qualified by and subject to the following: (i) principles of equity which may limit the availability of certain equitable remedies or which may render unenforceable remedies that are based upon discretionary action that are held to be unreasonable, arbitrary, not in good faith or not taken in a commercially reasonable manner; (ii) bankruptcy, insolvency, reorganization, liquidation, conservatorship, receivership, fraudulent or preferential conveyance, moratorium and other laws applicable to creditors' rights or the collection of debtors' obligations generally; (iii) the power of courts to award damages in lieu of granting equitable remedies; (iv) laws concerning recourse by creditors for security in the absence of notice and hearing or laws or equitable principles which render consents and waivers of notice, demand and other rights granted by law to be against public policy; (v) a creditor's inability to collect attorneys' fees, late charges and other costs in excess of what a court may deem reasonable; (vi) Section 1301 of the New York Real Property Actions and Proceedings Law ("RPAPL"), which, under certain circumstances, precludes the foreclosure of a mortgage concurrently with an action to collect the debt secured thereby, which could affect the enforceability of the Loan Documents under certain circumstances; (vii) Section 1371 of the RPAPL, which limits a creditor's ability to obtain a deficiency judgment after the foreclosure of a mortgage; (viii) the requirements of Article 14 of the RPAPL; and (ix) the Assignment of Leases and Rents may not be enforceable absent commencement of an action to foreclose the mortgages and the appointment of a



receiver. But the foregoing qualifications do not in our opinion render the Loan Documents invalid as a whole and permit the Lender to realize the principal benefits of the Loan Documents.

Further, no opinion is expressed as to the enforceability of any provisions of the Loan Documents which purport to: (i) confer self-help or equitable remedies such as specific performance and injunctive relief; (ii) establish evidentiary standards for suits or proceedings or restrict, limit or deny access to courts; (iii) waive or release the legal rights, benefits or claims of any party in advance; (iv) allow or authorize the delay or omission of enforcement of any remedy, indemnity or consent judgments; (v) avoid or ignore the doctrines of mortgagee-in-possession or commercial reasonableness; (vi) establish nonculpability for actions taken by or on behalf of the Lender or any other person or entity; (vii) authorize the Lender to act as attorney-in-fact for the Company; or (viii) waive any statute of limitations or the right to a jury trial. Further, no opinion is expressed as to whether any indemnification provisions contained in the Loan Documents would be enforceable if the indebtedness secured thereby were satisfied or with respect to the enforceability of any of the indemnification provisions in any of the Loan Documents.

Our opinion is rendered as of the date hereof, and we undertake no, and hereby disclaim any, obligation to advise you of any changes in or any new developments which might affect any matters or opinions set forth herein.

We express no opinion regarding (i) any statute, regulation, code, rule, ordinance, or other law, or any judgment, decree, order, permit or license with respect to any environmental, zoning, site plan, subdivision, historical or archaeological matter involving or affecting the Project or (ii) any permits, approvals, consents, waivers or



Page 8

June 17, 2005

licenses required to be secured from any governmental body, board or authority for the demolition, construction, occupancy, use or operation of the Project.

This opinion is furnished to you at the request of the Company solely in connection with the transaction described above. This opinion is given for your benefit and may not be relied upon by anyone else (other than your counsel) without prior written consent.

Very truly yours,

Phillips Lytle LLP



Phillips Lytle LLP

APR 29 2005

Diane K. Church, Esq.
Hurwitz & Fine, P.C.
1300 Liberty Building
Buffalo, New York 14202

April 28, 2005

Re: Episcopal Church Home Zoning and Land Use Documents

Dear Diane:

I am enclosing copies of the Site Plan Application dated July 22, 2002 (**Exhibit "A"**); the supplemental draft Environmental Impact Statement prepared by Clough, Harbour & Associates LLP (**Exhibit "B"**); the Amended Certification of Findings for Canterbury Woods Rezoning from the Town of Amherst dated September 13, 2002 (**Exhibit "C"**); the Town of Amherst Site Plan Approval dated September 27, 2002 (**Exhibit "D"**); and the Extension of the Site Plan Approval for Phase II of Canterbury Woods (**Exhibit "E"**).

The above documents collectively reference the zoning and related SEQR process that was conducted by the Town of Amherst with respect to Phase II of the Canterbury Woods Project. The combination of these documents evidences the complete SEQR review process that was conducted in the Town of Amherst and the documents upon which they relied on when rendering their findings.

If you should have any further questions regarding the enclosures or any SEQR issues related to the Project, please do not hesitate to contact my office.

Very truly yours,

Phillips Lytle LLP

By

Marc A. Romanowski
MARmmp\Encs\BFLO Doc # 1478522.1
cc: (w/o enc) John Pappano, Esq.
Milan Tyler

Marc A. Romanowski

Direct 716 504 5741 mromanowski@phillipslytle.com

ATTORNEYS AT LAW

FOR OFFICIAL USE ONLY

Public Hearing
Date _____

File No. BP-297C

Acres 18⁺

Fee \$5000

Final Planning Board
Action _____

Materials checked by
Building Department

received by _____ date

Date _____

Materials accepted by
Town Clerk and Filing
Fee paid _____

received by _____ date

Materials received by
Planning Department

[Signature]
received by _____ date

TO BE COMPLETED BY APPLICANT

Petitioner's Name: Episcopal Church Home & Affiliates Life Care
Community, Inc. dba Canterbury Woods
Address: 24 Rhode Island Buffalo, NY 14213

Telephone: 716-884-6500

Project Name: Canterbury Woods Phase II

Project Address: 705 Renaissance Drive Williamsville, NY 14221

Project Description: Site plan approval for construction of 26 single
detached units, 7 double units, and 1 3,000 sf community
building on the remaining 18 undeveloped acres.

NON-RESIDENTIAL
GROSS FLOOR AREA 3,000 sf

APR 22 2005

PART 1 - PROJECT INFORMATION
PREPARED BY PROJECT SPONSOR

Notice: This document is designed to assist in determining whether the action proposed may have a significant effect on the environment. Please complete the entire form, Parts A through E. Answers to these questions will be considered as part of the application for approval and may be subject to further verification and public review. Provide any additional information you believe will be needed to complete Parts 2 and 3.

It is expected that completion of the full EAF will be dependent on information currently available and will not involve new studies, research or investigation. If information requiring such additional work is unavailable, so indicate and specify each instance.

NAME OF ACTION: Canterbury Woods Phase II			
LOCATION OF ACTION: 705 Renaissance Drive Williamsville, New York 14221 <small>(include street address, municipality and County)</small>			
NAME OF APPLICANT/SPONSOR: Episcopal Church Home & Affiliates Life Care Community, Inc.		716-884-6500 BUSINESS TELEPHONE	
24 Rhode Island	Buffalo	N.Y.	14213
STREET ADDRESS	CITY/PO	STATE	ZIP
NAME OF OWNER (IF DIFFERENT): As above		BUSINESS TELEPHONE	
STREET ADDRESS	CITY/PO	STATE	ZIP
DESCRIPTION OF ACTION: THE PROJECT CONSISTS OF THE CONSTRUCTION OF A TOTAL OF 33 BUILDING CONSISTING OF 40 UNITS AND 1 3000 S.F. COMMUNITY BUILDING ON THE REMAINING 18 UNDEVELOPED ACRES.			

Please complete each question -Indicate N.A. if not applicable.

A. SITE DESCRIPTION

Physical setting of overall project, both developed and undeveloped areas.

1. Present land use: Urban Industrial Commercial Residential(suburban) Rural (non-farm)
 Forest Agriculture Other Undeveloped

2. Total acreage of project area: 62 acres.

<u>APPROXIMATE ACREAGE</u>	<u>PRESENTLY</u>	<u>AFTER COMPLETION</u>
Meadow or Brushland (Non-agricultural)	22.7 acres	20.2 acres
Forested	17.7 acres	7.5 acres
Agricultural (includes orchards, cropland, pasture, etc.)	_____ acres	_____ acres
Wetland (Freshwater or tidal as per Articles 24,25 of ECL)	0.40 acres	0.40 acres
Water Surface Area	1.90 acres	1.90 acres
Unvegetated (Rock, earth or fill)	_____ acres	_____ acres
Roads, buildings and other paved surfaces	13.0 acres	19.0 acres
Other (Indicate type)	6.3 acres	13.0 acres

3. What is predominant soil type(s) on project site? Odessa Silt Loam, Claverack Loamy Fine Sand
 a. Soil drainage:
 well drained 20% of site
 Moderately well drained 20% of site
 Poorly drained 60% of site
 b. If any agricultural land is involved, how many acres of soil are classified within soil group 1 through 4 of the NYS Land Classification System? 0 Acres (See 1 NYCRR 370).:
4. Are there bedrock outcroppings on project site? Yes No.

JUL 27 2007

- a. What is depth to bedrock? $\geq 5'$ (in feet):
5. Approximate percentage of proposed project site with slopes?
 0-10% 90 % 10-15% 5 % 15% or greater 5 %.
6. Is project substantially contiguous to, or contain a building, site, or district, listed on the State or the National Registers of Historic Places? Yes No
7. Is project substantially contiguous to, to a site listed on the Register of National Natural Landmarks?
 Yes No
8. What is the depth of the water table: 5' (in feet)
9. Is the site located over a primary, principal, or sole source aquifer? Yes No.
10. Do hunting, fishing or shall fishing opportunities presently exist in the project area? Yes No.
11. Does project site contain any species of plant or animal life that is identified as threatened or endangered?
 Yes No. According to: N.Y.S.D.E.C.
 Identify each species:
12. Are there any unique or unusual land forms on the project site? (i.e., cliffs, dunes, other geological formations)? Yes No.
 Describe:
13. Is the project site presently used by the community or neighborhood as an open space or recreation area?
 Yes No.
 If yes, explain:
14. Does the present site include scenic views known to be important to the community? Yes No.
15. Streams within or contiguous to project area? Town Ditch #4 bisects the project site.
16. Lakes, ponds, wetland areas within or contiguous to project area?
- | | |
|-----------------------------|----------------------------|
| Name: Canterbury Woods Pond | Size (in acres) <u>1.2</u> |
| Name: | Size (in acres) |
| Name: | Size (in acres) |
17. Is the site served by existing public utilities? Yes No.
 a. If yes, does sufficient capacity exist to allow connection: Yes No.
 b. If yes, will improvements be necessary to allow connection: Yes No.
18. Is the site located in an agricultural district certified pursuant to Agriculture and Markets Law, Article 25-AA, Section 303 and 304? Yes No.
19. Is the site located in or substantially contiguous to a Critical Environmental Area designated pursuant to Article 8 of the ECL, and 6 NYCRR 617? Yes No.
20. Has the site ever been used for the disposal of solid or hazardous wastes? Yes No.

B. PROJECT DESCRIPTION

1. Physical dimensions and scale of project (fill in dimensions as appropriate).
- a. Total contiguous acreage owned or controlled by project sponsor 62 acres.
- b. Project acreage to be developed: 44 acres initially; 62 acres ultimately.
- c. Project acreage to remain undeveloped 0 acres.
- d. Length of project, in miles: 2000' (if appropriate).
- e. If the project is an expansion, indicate percent of expansion proposed 20 %
- f. Number of off-street parking spaces existing 391; proposed 420.
- g. Maximum vehicular trips generated per hour 160 total Phase I and Phase II (upon completion of project).
- h. If residential, number and type of housing units:

	One family	Two family	Multiple family	Condominium
Initially				
Ultimately	26	7		1 - Clubhouse

JUL 22 2007

- j. Linear feet of frontage along a public thoroughfare project will occupy is? 2800 Ft.
2. How much natural material (i.e., rock, earth, etc.) will be removed from the site? TBD Tons/cubic yards.
3. Will disturbed areas be reclaimed: Yes No N/A
- a. If yes, for what intended purpose is the site being reclaimed? recreational open space
- b. Will topsoil be stockpiled for reclamation? Yes No
- c. Will upper subsoil be stockpiled for reclamation? Yes No
4. How many acres of vegetation (trees, shrubs, ground covers) will be removed from site? 6 acres.
5. Will any mature forest (over 100 years old) or other locally-important vegetation be removed by this project?
 Yes No
6. If single phase project: Anticipated period of construction 12 months, (including demolition).
7. If multi-phased:
- a. Total number of phases anticipated 1 (number).
- b. Anticipated date of commencement phase 1 n/a month n/a year, (including demolition).
- c. Approximate completion date of final phase n/a month n/a year.
- d. Is phase 1 functionally dependent on subsequent phases? Yes No
8. Will blasting occur during construction? Yes No
9. Number of jobs generated: during construction? 40; after project is complete? 14
10. Number of job eliminated by this project? 0
11. Will project require relocation of any projects or facilities: Yes No
If yes, explain
12. Is surface liquid waste disposal involved? Yes No
- a. If yes, indicate type of waste (sewage, industrial, etc.) and amount
- b. Name of water body into which effluent will be discharged
13. Is subsurface liquid waste disposal involved? Yes No Type:
14. Will surface area of an existing water body increase or decrease by proposal? Yes No
Explain:
15. Is project, or any portion of project, located in a 100 year flood plain? Yes No
16. Will the project generate solid waste? Yes No
- a. If yes, what is the amount per month? 8 Tons.
- b. If yes, will an existing solid waste facility be used: Yes No
- c. If yes, give name To be determined; location To be determined
- d. Will any wastes not go into a sewage disposal system or into a sanitary landfill? Yes No
- e. If yes, explain:
17. Will the project involve the disposal of solid waste: Yes No.
- a. If yes, what is the anticipated rate of disposal: _____ tons/month.
- b. If yes, what is the anticipated site life: _____ years.
18. Will project use herbicides or pesticides? Yes No.
19. Will project routinely produce odors (more than one hour per day)? Yes No
20. Will project produce operating noise exceeding the local ambient noise levels? Yes No
21. Will project result in an increase in energy use? Yes No
If yes, indicate type(s) Petroleum and Electrical both during construction and after
22. If water supply is from wells, indicate pumping capacity N/A gallons/minute
23. Total anticipated water usage per day 14,000 gallons/day.
24. Does project involve Local, State or Federal funding? Yes No
If yes, explain ERIE COUNTY INDUSTRIAL DEVELOPMENT
25. Applicable Regulations:

JUL 27 2007

	Yes	No	Agency/Dept.	Submittal Date
City, Town, Village Board	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Town Board-Modify Zoning Conditions	01/02
City, Town, Village Plng. Board	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Planning Board - Site Plan	05/02
City, Town, Zoning Board	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ZBA - Building Separation	04/02
City, County Health Department	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ECHD - Sanitary Approval	06/02
Other Local Agencies	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ECWA - Water Approval	06/02
Other Regional Agencies	<input type="checkbox"/>	<input type="checkbox"/>		
State Agencies	<input type="checkbox"/>	<input type="checkbox"/>		
Federal Agencies	<input type="checkbox"/>	<input type="checkbox"/>		

C. ZONING and PLANNING INFORMATION

1. Does proposed action involve a planning or zoning decision? Yes No

If yes, indicate decision required:

<input checked="" type="checkbox"/> modification of zoning conditions	<input checked="" type="checkbox"/> variance	<input type="checkbox"/> special use permit	<input type="checkbox"/> subdivision	<input checked="" type="checkbox"/> site plan
<input type="checkbox"/> new/revision of master plan		<input type="checkbox"/> resource management plan		<input type="checkbox"/> Other:

2. What is the zoning classification(s) of the site? MFR-7

3. What is the maximum potential development of the site if developed as permitted by the present zoning?
200 unit max. - 40 units proposed

4. What is the proposed zoning of the site? MFR-7

5. What is the maximum potential development of the site if developed as permitted by the proposed zoning?
200 unit max. - 40 units proposed

6. Is the proposed action consistent with the recommended uses in adopted local land use plans? Yes No

7. What are the predominant land use(s) and zoning classifications within a 1/4 mile radius of proposed action?
Residential MFR-5 and MFR-7

8. Is the proposed action compatible with adjoining/surrounding land uses within a 1/4 mile? Yes No

9. If the proposed action is the subdivision of land, how many lots are proposed? N/A

a. What is the minimum lot size proposed?

10. Will proposed action require any authorization(s) for the formation of sewer or water districts? Yes No

11. Will the proposed action create a demand for any community provided serviced (recreation, education, police, fire protection)? Yes No

a. If yes, is existing capacity sufficient to handle projected demand? Yes No

12. Will the proposed action result in the generation of traffic significantly above present levels? Yes No

a. If yes, is the existing road network adequate to handle the additional traffic? Yes No

D. INFORMATIONAL DETAILS

Attach any additional information as may be needed to clarify your project. If there are, or may be, any adverse impacts associated with your proposal, please discuss such impacts and measures which you propose to mitigate or avoid them.

E. VERIFICATION

I certify that the information provided above is true to the best of my knowledge.

Applicant/Sponsor Name: DON HOEFLER

Date: 1/21/02

Signature: Donald J. Hoefler

Title: Agent for ECCH&ALCC

If the action is in the Coastal Area, and you are a state agency, complete the Coastal Assessment Form before proceeding with this assessment.



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ENGINEERS, SURVEYORS, PLANNERS & LANDSCAPE ARCHITECTS

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295 MAIN STREET • SUITE 900
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TEL: 716-847-6310 • FAX: 716-847-0123
www.cloughharbour.com

July 22, 2002

Town of Amherst Planning Department
5583 Main Street
Williamsville, New York 14221

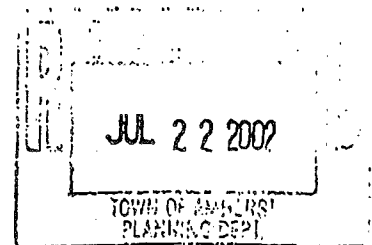
Attn: Mr. Scott Marshall

**Re: Site Plan Submission –Site Plan Review
Canterbury Woods – Phase II
Amherst, New York
CHA Project Number 11178**

Dear Mr. Marshall:

On behalf of Episcopal Church Home & Affiliates Life Care Community, Inc., Clough, Harbour & Associates LLP (CHA) is pleased to submit the following information:

- 11 copies of the Submittal Letter
- 11 copies of the Submittal Application
- 11 copies of the Long Form Environmental Assessment Form
- 11 sets Site Improvement Plans
- 8.5"x11" Transparencies for Meeting
- 1 Site Plan Review Fee check for \$4800 for the 18 acre site



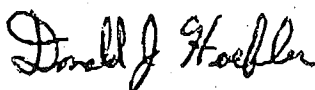
Offices Throughout the United States

"Satisfying Our Clients With Dedicated People Committed to Total Quality."

The Episcopal Church Home is interested in developing the remaining 18 acres into forty (40) residential units and one (1) 3000 s.f. community building. Please feel free to call us at 847-6310 if you have questions or require additional information. We look forward to addressing the Board concerning this project at their August 19, 2002 meeting.

Very truly yours,

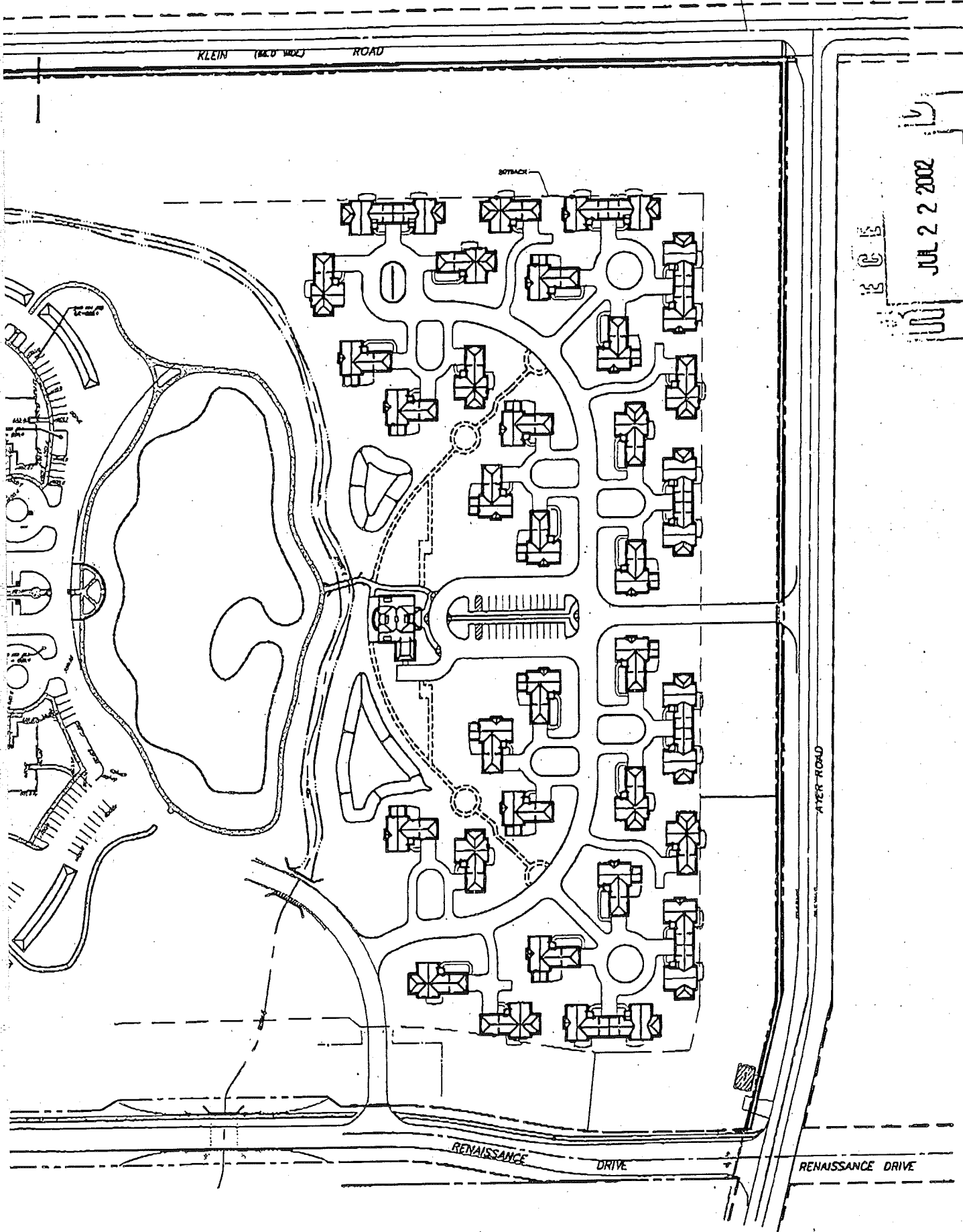
CLOUGH, HARBOUR & ASSOCIATES LLP
*Engineers, Surveyors, Planners
& Landscape Architects*



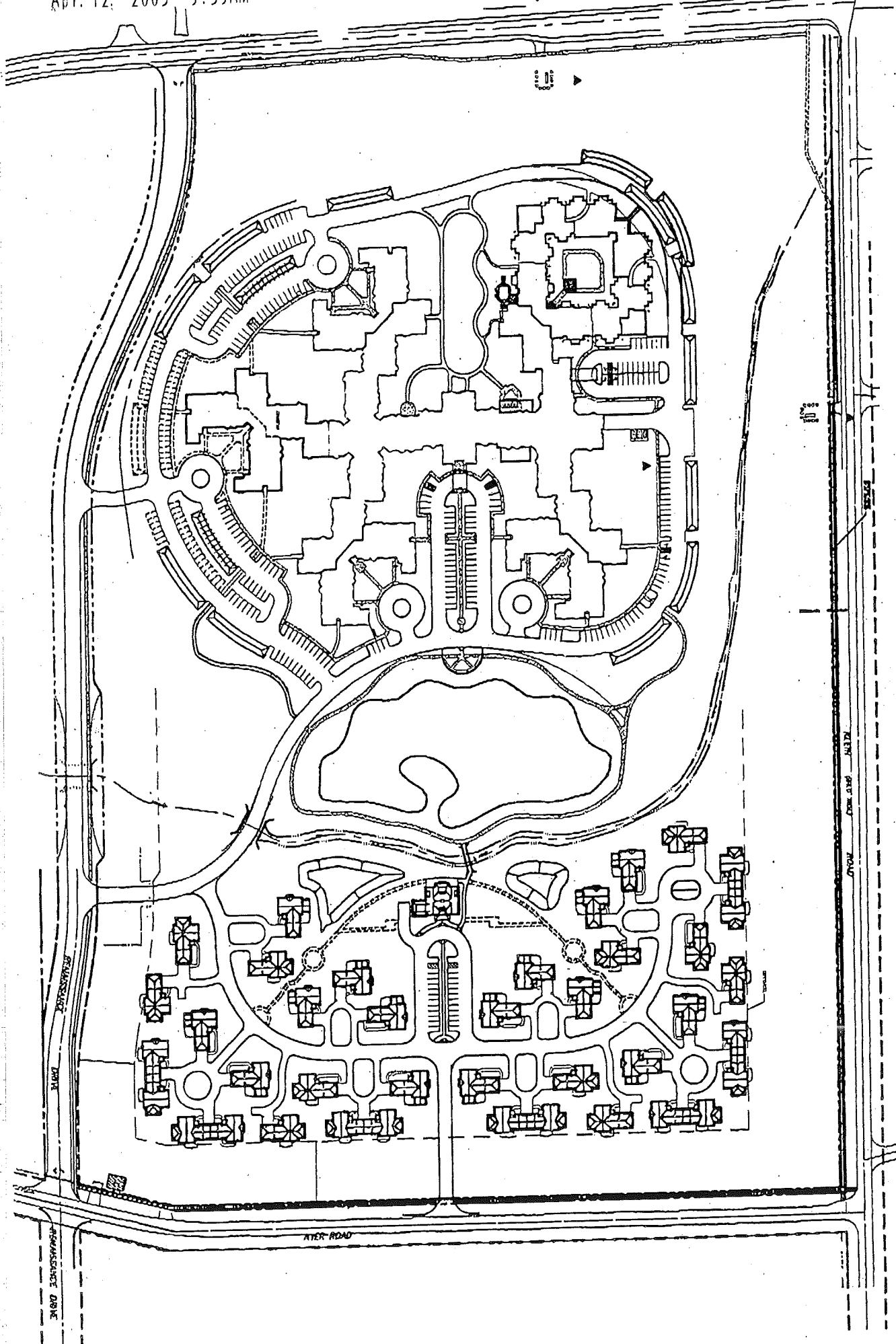
Donald J. Hoefler, P.E.
Project Engineer

Cc: Episcopal Church Home
Retirement Living Services
Ciminelli Construction

JUL 27 2002
HOME OF ARCHITECT
PLANNING DEPT.



JUL 2 2 2002
 TOWN OF AMHERST
 PLANNING DEPT.



JUL 2 2 2002

TOWN OF AMHERST
PLANNING DEPT

**SUPPLEMENTAL DRAFT
ENVIRONMENTAL IMPACT STATEMENT
(SDEIS)**

CANTERBURY WOODS
705-755 Renaissance Drive
TOWN OF AMHERST
ERIE COUNTY, NEW YORK

Prepared For:
Episcopal Church Home & Affiliates Life Care Community, Inc.
24 Rhode Island Street
Buffalo, New York 14213
Contact: Edward Weeks
716-884-6500

Lead Agency:
Town of Amherst
5583 Main Street
Amherst, New York 14221
Contact: Eric W. Gillert
716-631-7051

Prepared by:
CLOUGH, HARBOUR & ASSOCIATES LLP
295 Main Street, Suite 900
Buffalo, NY 14203
Contact: Robert Badger, P.E.
716-847-6310

RENALDO, MYERS, P.C.
350 Essay Road
Williamsville, NY 14221
Contact: Sean Hopkins, Esq.
716-631-5157

TABLE OF CONTENTS

I.	<u>COVER SHEET</u>	2
II.	<u>EXECUTIVE SUMMARY</u>	4
III.	<u>PROJECT DESCRIPTION AND NEED</u>	8
	A. PROJECT DESCRIPTION AND NEED	8
	B. PROPOSED FACILITIES	11
	C. REGULATORY REQUIREMENTS	14
IV.	<u>PHYSICAL ENVIRONMENTAL SETTING AND IMPACT ANALYSIS</u>	15
	A. SITE DESCRIPTION	15
	B. GEOLOGY, TOPOGRAPHY, AND SOILS	16
	C. HYDROLOGY AND DRAINAGE	17
	D. VEGETATION AND WILDLIFE	19
V.	<u>SOCIOECONOMIC SETTING AND IMPACT ANALYSIS</u>	22
	A. LAND USE AND ZONING	22
	B. AESTHETICS	26
	C. TRAFFIC	34
	D. ARCHAEOLOGY	35
VI.	<u>ALTERNATIVES</u>	36
VII.	<u>GROWTH INDUCING IMPACTS</u>	38
	A. POPULATION GROWTH	38
	B. SUPPORT FACILITIES	38
	C. INDUCED DEVELOPMENT POTENTIAL	38
VIII.	<u>IRREVERSIBLE AND IRRETRIEVABLE COMMITMENT OF RESOURCES</u>	39
IX.	<u>UNAVOIDABLE ADVERSE ENVIRONMENTAL IMPACTS</u>	40
	A. LAND USE	40
	B. TOPOGRAPHY, GEOLOGY, SOILS	40
	C. VISUAL RESOURCES	40

APPENDIX

CORRECTED AND RESTATED CERTIFICATE OF FINDINGS – CANTERBURY WOODS

LIST OF FIGURES

Figure III-A-1	Location Plan	9
Figure III-A-2	Original DEIS Site Plan	10
Figure III-A-3	Proposed Site Plan	13
Figure IV-D-1	Proposed Landscape Plan	21
Figure V-A-1	Original DEIS Setbacks and Buffers	24
Figure V-A-2	Proposed Setbacks and Buffers	25
Figure V-B-1	Existing Photograph Ayer/Klein Intersection	28
Figure V-B-2	Visual Simulation – Original Concept from Ayer/Klein Intersection	29
Figure V-B-3	Visual Simulation – Revised Concept from Ayer/Klein Intersection	30
Figure V-B-4	Existing Photograph from Ayer Road	31
Figure V-B-5	Visual Simulation – Original Concept from Ayer Road	32
Figure V-B-6	Visual Simulation – Revised Concept from Ayer Road	33

II. EXECUTIVE SUMMARY

Project Description

The attached Supplemental Draft Environmental Impact Statement ("SDEIS") was prepared to evaluate the potential impacts associated with the revised development of the eastern portion of Canterbury Woods. The proposed project is located on approximately 62 acres within the Town of Amherst. The site is bounded by Klein Road on the North, Ayer Road on the East, and Youngs Road on the West.

The project's developer, Episcopal Church Home and Affiliates Life Care Community, Inc. ("ECH&A") developed Phase I to consist of 203 independent living apartments, 32 enriched housing apartments and 48 skilled nursing beds, along with common areas. Approvals were granted for Phase IA, which is to be a wing of 48 independent living apartments attached to the main Phase I building. Phase II was somewhat less defined, but consisted of up to 200 additional units for senior housing on the eastern portion of the site. SEQR approval was obtained in February 1997 with the issuance of the Corrected and Restated Certification of Findings ("Project Finding Statement") by the Town of Amherst. Construction of Phase I was completed and Canterbury Woods opened in June 1999.

Since the construction of Phase I, the demand for the independent living apartments has stabilized causing a refocus on the development of Phase II. With Phase 1A available for development in order to address any increase in demand for the independent apartments, Phase II is now being considered as the development of 40 independent units similar to a "cottage" or "patio home" structure and a 3,000 square foot community building on the eastern portion of the site. In an attempt to provide more varied dining experiences for both existing and Phase II residents, the construction of two 1,500 square foot additions to the existing Canterbury Woods main building is being proposed. To address a perceived future need, Canterbury Woods would like the opportunity to construct a 24 bed skilled nursing addition to the existing Phase I facility. Current plans call for construction of Phase II to begin as soon as possible - late fall of 2002.

The advancement of the project as currently planned alters the approved density as established in the Project Finding Statement. Additionally, the development of the Phase II independent "cottage" units requires modification of the project building setbacks and buffers outlined in the Project Finding Statement. The SDEIS evaluated the impacts to the community based on the effect of the development on vegetation and aesthetics. Summary of particular sections of the SDEIS follows:

Canterbury Woods Life Care Community

Physical Environmental Setting and Impact Analysis

The topography of the undeveloped Phase II portion of the site will be altered by grading operations required to prepare the site for construction. During construction, measures will be undertaken to control soil erosion, which could adversely affect downstream drainage channels and storm water structures. Site preparation activities will include the installation of erosion and sedimentation control measures and the removal of existing vegetation and topsoil within construction areas. Topsoil will be stockpiled for later reuse during landscaping activities.

An Environmental Site Assessment (ESA) and a Geotechnical Engineering Report (GER) was completed during DEIS investigations for the entire 62 acre Canterbury Woods site. The ESA determined that there was no evidence of recognized environmental conditions. "Recognized environmental conditions" are defined as the presence or likely presence of any hazardous substance or petroleum products under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substance or petroleum products on the property, structures, ground, groundwater, or surface water of the property. The GER determined that the site soils are suitable to support construction as proposed.

Drainage and hydrologic impacts for Phase II have been addressed through concept development. The concept plans demonstrate compliance with the Town of Amherst stormwater management requirements.

No wetland issues are associated with Phase II development. No threatened or endangered plant or wildlife species are present on site. The relocation of some small resident populations of wildlife on site is unavoidable, however the impact is not anticipated to be significant.

Socioeconomic Setting and Impact Analysis

Phase II development of Canterbury Woods is consistent with local surrounding land use and land use trends in the area. Approximately 5.5 acres or about one-third of the presently undeveloped Phase II site will be developed as buildings, roads and sidewalks. Approximately 12.5 acres or about two-thirds of the site will retain open/green space characteristics with landscaping and other natural features including earthen berms as buffers and visual screening.

Phase II development is consistent with the Town's Community Development Plan. Phase II development will comply with zoning and dimensional requirements under the Town's MFR-7 zoning district. Building height and setback requirements will comply with local ordinances.

Canterbury Woods Life Care Community

The design theme selected for Phase II features high-quality custom architecture combined with well-maintained park-like grounds. The English cottage style residential buildings and landscaped grounds to be developed under Phase II are both visually compatible and consistent in aesthetic quality with local neighborhood residential character in both overall scale and design.

Building heights of residential units under Phase II will be consistent with the fabric of the neighboring community. Building heights will be approximately 31 feet, much less than the 43-foot height of buildings as outlined in the Project Finding Statement. There will be no significant visual impact from newly proposed building height. Building setbacks will be reduced, but meet local requirements and are appropriate given reduced residential building height and scale.

Significant traffic impacts are not anticipated from Phase II development. A reduction of approximately 25% in the number of units as presently proposed compared to the original Phase II concept will result in a similar reduction of approximately 20% to 25% in trip generation.

All cultural resource investigations for the 62 acre Canterbury Woods project site were completed at the time of the preparation of the DEIS. All cultural resource investigations were performed in compliance with the National Environmental Policy Act of 1969; the National Historic Preservation Act of 1966; Executive Order 11593; the Archeological and Historic Preservation Act of 1974; and the New York State Historic Preservation Act of 1980. It was determined at that time by the NYS Office of Parks, Recreation and Historic Preservation (SHPO) that the project will have no impact on cultural resources either listed on or eligible for inclusion in the New York State or National Register of Historic Places. No further cultural resource investigation is required.

Canterbury Woods Life Care Community

Alternatives

Phase II development proposes a density of 40 units over its 18 acres or approximately 2.3 units per acre and reduces the overall project density to approximately 6.4 units per acre. Rather than one building complex, the project now envisions these residential cottages evenly distributed throughout the eastern part of the site. The building height will be approximately 31 feet. Due to a density similar to and less than R-3 zoning and a more residential building height, justification exists to reduce the principal building setback and buffer requirements.

The cottage style alternative design will create considerable green/open space and landscaping opportunities. In addition, the cottage style alternative design will not create the large areas of parking as originally proposed for Phase II. Instead a residential neighborhood character will be created that contains slightly less impervious surfaces and that is consistent in scale, and visually compatible with, surrounding residential neighborhoods. Adjacent buffers on site will be improved to soften views from off-site. Improvements will include supplemental plantings of trees along existing buffers and existing and proposed berms. The additional plantings along the project periphery will provide additional buffering of the existing tree understories.

III. PROJECT DESCRIPTION AND NEED

A. PROJECT DESCRIPTION AND NEED

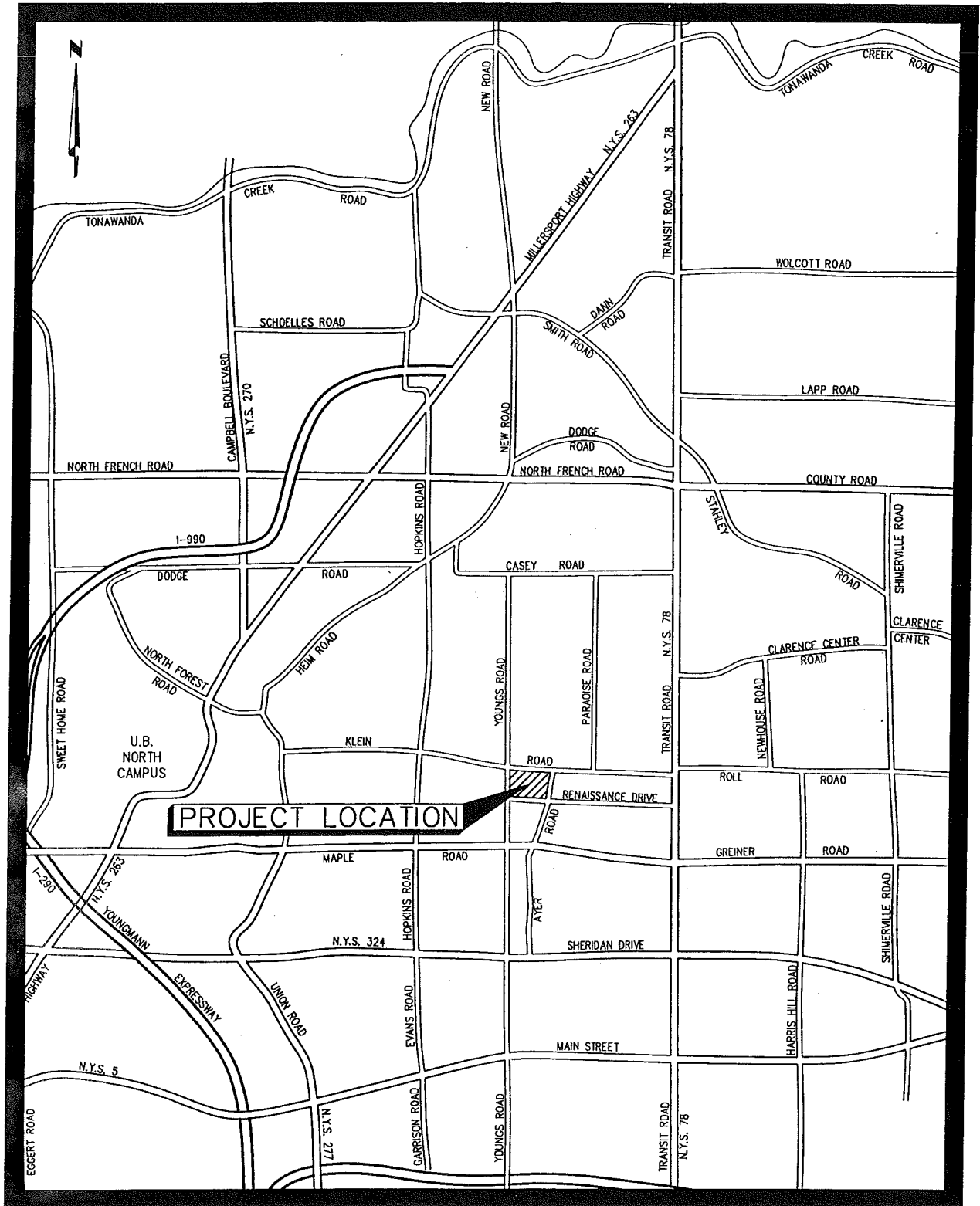
Canterbury Woods is located on approximately 62 acres within the Town of Amherst. A location plan (Figure III-A-1) is provided for reference. The site is bounded by Klein Road on the North, Ayer Road on the East, Youngs Road on the West and Renaissance on the South.

The project's developer, Episcopal Church Home and Affiliates Life Care Community, Inc. ("ECH&A") is a not-for-profit corporation affiliated with the Episcopal Church Home of Western New York, which was established in 1858. From its facility at 24 Rhode Island Street, it operates a variety of charitable services to the people of Western New York, including a 172 bed Skilled Nursing Facility, a 48 Bed Assisted Living Program, a 26 bed Adult Care Facility, a Long Term Home Health Care program, a Licensed Home Care Agency, an Adult Day Healthcare program, an Outpatient Rehabilitation program, a Community Resources Specialist program and a Personal Emergency Response Service. In addition, it manages five apartment buildings totaling 305 units of multifamily housing. It has over 550 full-time employees and a combined Annual Operating Budget in excess of \$33,000,000.

In 1996, ECH&A sponsored the development of Canterbury Woods, a Continuing Care Retirement Community ("CCRC") in Amherst, New York. The proposed project was advanced as a two-phase development. Phase I consisted of 252 independent living apartments, 32 enriched housing apartments and 48 skilled nursing beds, along with common areas. Phase II was somewhat less defined, but consisted of up to 200 additional units for senior housing on an easterly section of the site. SEQR approval was obtained in February 1997 with the issuance of the Corrected and Restated Certification of Findings ("Project Finding Statement") by the Town of Amherst. The original DEIS site plan is shown as Figure III-A-2 and the "Project Finding Statement" is included in the Appendix.

ECH&A subsequently developed Phase 1 to consist of 203 independent living apartments, 32 enriched housing apartments and 48 skilled nursing beds, along with common areas. Approvals were granted for Phase 1A which consists of an additional 48 independent living apartments wing attached to the main Phase 1 building. Construction of Phase 1 was completed and Canterbury Woods opened in June 1999.

Independent Living Units at Canterbury Woods are currently ninety-five percent occupied and the community has achieved stabilized occupancy in the skilled nursing and enriched housing components. Industry trends validate the consumer's continued interest in senior housing/retirement communities including life care, look-alike continuing care retirement communities and assisted living housing options. However, there does not appear to be an immediate demand for more condominium style apartments.



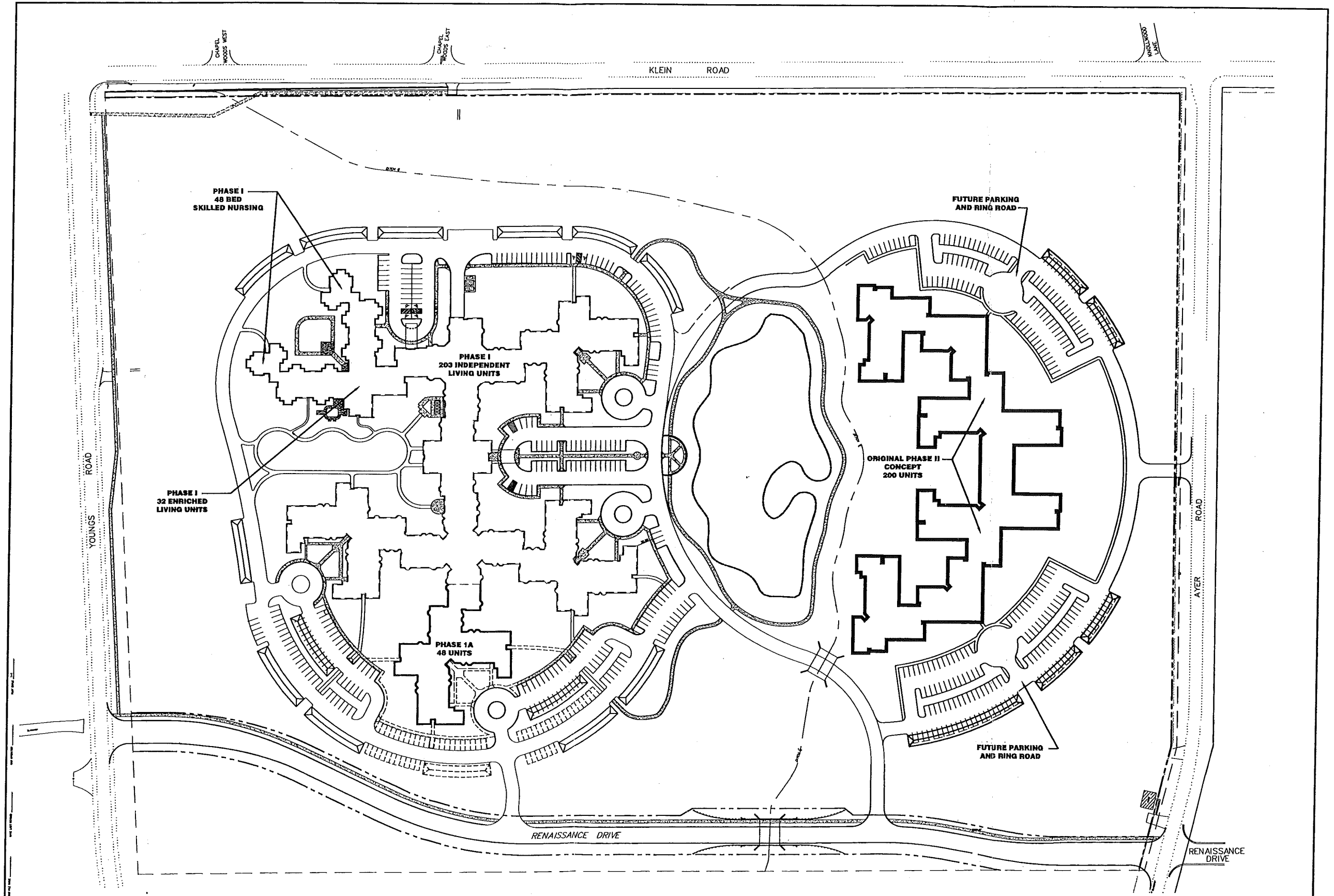
SITE LOCATION PLAN

CHA CLOUGH, HARBOUR & ASSOCIATES LLP

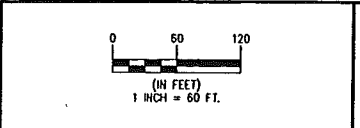
ENGINEERS, SURVEYORS, PLANNERS & LANDSCAPE ARCHITECTS
 295 MAIN STREET, SUITE 900 716-847-6310
 BUFFALO, NEW YORK 14202 FAX: 716-847-0123

EPISCOPAL CHURCH HOMES
 CANTERBURY WOODS
 SENIOR LIVING CENTER - PHASE II
 AMHERST, NEW YORK

FIGURE NO. III-A-1	SCALE: N.T.S.	CHA PROJECT NO. 11178	DATE: MARCH 2002
--------------------	---------------	-----------------------	------------------



Revision	Drawn By	App'd. By	Date



Designed By	Date
D.J.H.	1/02
Drawn By	Date
P.R.S.	1/02
Checked By	Date
R.J.S.	1/02

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295 MAIN STREET - SUITE 900 716-847-6310
BUFFALO, NEW YORK 14203 FAX: 716-847-0123
CHA Project No. 11178

CANTERBURY WOODS & AFFILIATES
LIFE CARE COMMUNITY
TOWN OF AMHERST
ERIE COUNTY, NEW YORK

CANTERBURY WOODS - PHASE II
ORIGINAL DEIS SITE PLAN

Drawing No.
FIG III-A-2
SCALE: 1"=60'
DATE: MARCH 2002
SHEET 1 OF 2

Canterbury Woods Life Care Community

During the exploration / feasibility process recently completed by Canterbury Woods marketing personnel, there was a definite expression of interest in independent living cottages at Canterbury Woods. This interest appears to be coming from a somewhat younger prospect (generally 70-75 years of age), and predominantly couples. The underlying attitude stems from a personal assessment of their current lifestyle. They continue to enjoy the comfort and privacy of their own homes, but recognize the need to plan for the future as it relates to their physical, psychosocial and financial well being.

In order to address these interests, Phase II is now being considered as the development of 40 independent units similar to a "cottage" or "patio home" structure and a 3,000 square foot community building on the eastern portion of the site. In an attempt to provide more varied dining experiences for both existing and Phase II residents, the construction of two 1,500 square foot additions to the existing Canterbury Woods main building is being proposed. To address a potential future need, Canterbury Woods would like the opportunity to construct a 24 bed skilled nursing addition to the existing Phase I facility. The project additions to the Phase I building (additional nursing beds and dining expansions) are part of this action for purposes of SEQRA. However, these additions will occur within the previously approved project setback and buffer strips and will not have any potentially significant impacts on the environment.

B. PROPOSED FACILITIES

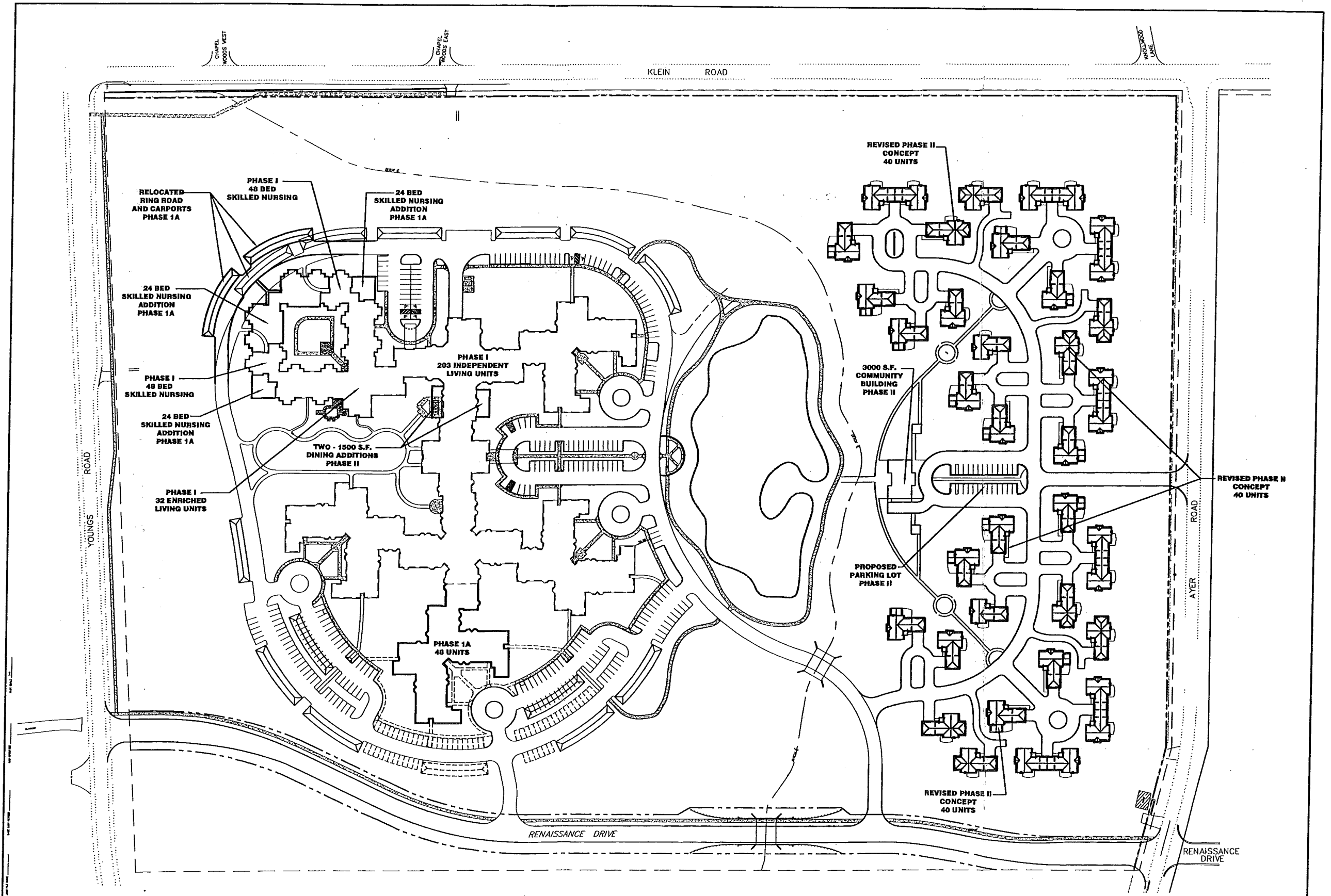
Canterbury Woods is being developed in three phases, as outlined below:

	<u>Independent Living Units</u>	<u>Assisted Living Units</u>	<u>Health Center</u>
Phase I	203	32	48
Phase IA	48	0	24
Phase II	40	0	0
Total at Build Out	291	32	72

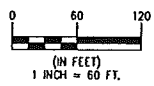
Canterbury Woods Life Care Community

Current plans call for construction of Phase II to begin as soon as possible - late fall of 2002. Phase II construction will include the 40 independent cottage units, the 3000 s.f. community building and the two 1,500 s.f. dining additions to the existing Phase I building. Proposed construction of the Phase IA 48 independent living units wing and the 24 skilled nursing bed addition to the Phase I facility will be dependent on market conditions with construction not anticipated until the spring of 2004. The proposed site plan is shown as Figure III-A-3

The advancement of the project as currently planned alters the approved density as established in the Project Finding Statement. Additionally, the development of the Phase II independent "cottage" units requires modification of the project building setbacks and buffers outlined in the Project Finding Statement. Since the Phase I expansions occur within the previously approved project setbacks and buffer requirements, this document will focus on the potential the environmental impacts created by the proposed revised development of the independent "cottage" units.



Revised	Drawn By	App'd. By	Date



Designed By	Date
D.J.H.	1/02
Drawn By	Date
P.R.S.	1/02
Checked By	Date
R.J.S.	1/02



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ENGINEERS, SURVEYORS, PLANNERS & LANDSCAPE ARCHITECTS
205 MAIN STREET - SUITE 900 716-847-6310
BUFFALO, NEW YORK 14203 FAX: 716-847-0123
CHA Project No. 11178

CANTERBURY WOODS & AFFILIATES
LIFE CARE COMMUNITY
TOWN OF AMHERST
ERIE COUNTY, NEW YORK

CANTERBURY WOODS - PHASE II
PROPOSED SITE PLAN

Drawing No.
FIG III-A-3

Canterbury Woods Life Care Community

C. REGULATORY REQUIREMENTS

The proposed project will require approvals from various agencies. Prior to granting any approvals, the requirements of the State Environmental Quality Review Act (SEQRA) will be satisfied. Required approvals include:

<u>Required Approval</u>	<u>Approval Agency</u>
• Approval for Zoning Change	Town of Amherst Town Board
• Site Plan Approval	Town of Amherst Planning Board
• Curb Cut	Town of Amherst Highway Dept.
• Water	Erie County Water Authority
• Sanitary Sewer	Town of Amherst; Erie County Dept. of Environment & Planning
• SPDES Permit for Construction Activities	NYS DEC
• Building Permit	Town of Amherst

These approvals will be gained during the site plan development and review process. In addition to the previously mentioned approvals and permits, the project is currently being reviewed by the following New York State Agencies:

- Continuing Care Retirement Community Council of New York State
- New York State Department of Health
- New York State Office for the Aging
- Department of Aging
- Attorney General
- Insurance Department

Upon satisfaction of the criteria of each of the agencies, the Continuing Care Retirement Community Council will issue a Certificate of Authority.

Canterbury Woods Life Care Community

IV. PHYSICAL ENVIRONMENTAL SETTING AND IMPACT ANALYSIS

A. SITE DESCRIPTION

Canterbury Woods is being developed in three phases, as outlined below:

	<u>Independent Living Units</u>	<u>Assisted Living Units</u>	<u>Health Center</u>
Phase I (Built)	203	32	48
Phase IA	48	0	24
Phase II	40	0	0
Total at Build Out	291	32	72

In addition to the residential units, Canterbury Woods features Common Areas consisting of administration, library, parlor, cafe, store, auditorium/meeting room, pool with spa, wood working shop, card room, meditation room, winter garden and food service spaces. A summary of the proposed project areas is as follows:

	<u>Leasable Area</u>	<u>Common Area</u>	<u>Total Area</u>
Phase I	218,000	139,048	357,048
Phase IA	46,600	34,575	81,175
Phase II	80,000	6,000	86,000
Total	344,600	179,623	524,223

The Phase IA common area provides an allowance of 20,000 s.f. for the construction of the skilled nursing addition. The Phase II leasable area assumes a conservative 40 units at 2,000 s.f. per living unit. The 6,000 s.f. common area under Phase II is comprised of the 3,000 s.f. community building and the two 1,500 s.f. dining expansions to the existing Canterbury Woods primary building. The revised project areas represent an approximate 25% reduction from the original Phase II concept.

Renaissance Drive, a new east-west road, was constructed between Ayer Road and Youngs Road. Although not required to meet the traffic generation from this development, Renaissance Drive is part of the Town of Amherst's plans for improving traffic flow within the Town. A sidewalk on the north side of the road provides pedestrian access to the east, toward the Transit Road shopping area.

The original concept for Phase II development included a single building complex in the eastern part of the site. The residential complex was to be more than 43 feet in height, and approximately 660 feet in length by 370 feet in width. The complex was to

Canterbury Woods Life Care Community

be ringed by large parking areas to the northeast and southeast. The original building setback for the complex placed it approximately 215 feet west of Ayer Road, approximately 320 feet south of Klein Road and approximately 260 feet north of the southerly property line.

The proposed revised Phase II development includes construction of 33 separate residential buildings, consisting of 26 single dwelling units and 7 double dwelling units, built in an English cottage style that is consistent with Phase 1 development at Canterbury Woods. Rather than one building complex the project now envisions these residential cottages evenly distributed throughout the eastern part of the site. Each residential building will be approximately 40 feet in width and range between 80 and 120 feet in length. Building height will be approximately 31 feet. Building setbacks will be reduced to approximately 100 feet west of Ayer Road, approximately 160 south of Klein Road and 170 feet north of the southerly property line. The reduced setbacks are appropriate given the smaller scale of the residential buildings proposed.

B. GEOLOGY, TOPOGRAPHY, AND SOILS

The topography of the site is sloping gently inward from the southwest and northeast toward an interior retention pond and drainage swale that bisects the site in a northwesterly direction. With the exception of a knoll rising to approximately nine (9) feet above street level near the southwestern corner of the site, and some uneven terrain adjacent to the drainage swale, the site terrain is devoid of any significant topographical features. Surface runoff occurring on the site flows into the aforementioned interior drainage swale, discharging to a concrete box culvert beneath Klein Road.

Based upon a review of the *Soil Survey of Erie County, New York*, soils occurring on the project site include the Claverack loamy fine sand, Churchville silt loam, Colonie loamy fine sand, Lakemont silt loam, Odessa silt loam, and Wayland silt loam. The distribution of these soil units was determined from mapping of the U.S. Department of Agriculture, Soil Conservation Service and cooperating agencies.

Based upon a review of the *Surficial Geologic Map of New York - Finger Lakes Sheet* (1988), overburden on-site consists of lacustrine deposits of sand, silt and clay. The site is located in the Erie-Ontario Lowlands physiographic province and is underlain by bedrock consisting of Upper Silurian shale, dolostone, salt and gypsum belonging to the Camillus, Syracuse and Vernon Formations, according to the *Geologic Map of New York - Finger Lakes Sheet* (1970).

An Environmental Site Assessment (ESA) was originally completed on this parcel. The purpose of the assessment was to identify recognized environmental conditions as

Canterbury Woods Life Care Community

defined by the *American Society for Testing and Materials (ASTM) PRACTICE E 1527-93*, in connection with the subject property.

The term "recognized environmental conditions" is defined by ASTM as the presence of any hazardous substance or petroleum products on a property under conditions that indicate that an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products into structures on the property or into the ground, groundwater or surface water of the property. The conclusions of the ESA were that there was no evidence of recognized environmental conditions in connection with this property.

The original Geotechnical Investigation for the project consisted of a series of soil borings. The results of the borings and the subsequent analyses determined that the on site soils are suitable to support the construction proposed for this project. The report recommended that spread footings be utilized with an allowable bearing capacity of 2000-2500 pounds per square foot.

Impacts and Mitigation

The topography of the undeveloped Phase II portion of the site will be altered by grading operations required to prepare the site for construction. During construction of the project, several activities will be undertaken to control soil erosion, which could adversely affect downstream drainage channels and storm water structures. Site preparation activities will include the installation of erosion control measures and the removal of existing vegetation and topsoil within construction areas. Topsoil will be stockpiled for later reuse during landscaping activities. Typical erosion control techniques that can be utilized include:

- ◆ Installing silt fences, staked hay bales, or a combination of the two methods, at the toe of slopes in construction areas.
- ◆ Utilizing temporary drainage swales with hay bale check dams to direct water away from the construction area.
- ◆ Upon completion of final grading, seeding all areas with a quick germinating grass or other similar cover species.
- ◆ Stage site development to limit disturbed areas.

C. HYDROLOGY AND DRAINAGE

The project site currently drains into a swale that bisects the site from the southern property line to the north west corner of the site. The swale is identified as Town Ditch #4 and flows in a northerly fashion and crosses Klein Road, at the northwest corner of the property, via a 6' wide x 3' high concrete box culvert. North of the site the swale intersects Town Ditch #26-B.

Canterbury Woods Life Care Community

Approximately 993 acres make up the watershed that drains to a point located at the inlet of the Klein Road culvert. The portion of the watershed that exists upstream of the project site consists of 651 acres of woods and grass combination, 250 acres of residential development (½ acre lots with an average impervious area of 25%), and 30 acres of impervious area (streets and roads). The Phase II site presently is comprised of approximately 12 acres of woods (coniferous trees) and approximately 6 acres of field or open meadow (brush, weeds, and grass mix).

A review of the Flood Insurance Rate Map (1992), developed for the project vicinity by the Federal Emergency Management Agency, indicated that the project site is located in an area designated Zone X for areas determined to be outside of a 500-year floodplain. Regional groundwater flow direction, inferred from topographic mapping of the area, is generally to the west toward the discharge area represented by Ellicott Creek. Local variations in groundwater flow, however, may be present in the site vicinity.

Impacts and Mitigation

The storm water collection system for the proposed development will be handled by a network of catch basins and storm lines that will discharge proposed detention basins and ultimately into the existing swale. The proposed detention basins will mitigate the increase in peak runoff rates due to development.

The watershed for the proposed development will remain unchanged along with the characteristics upstream of the project site at full build out. The Phase II site will contain approximately 5.5 acres of impervious area (buildings, parking lots, and roads). This represents no net change from the original Phase II development concept. The remainder of Phase II area will be comprised of approximately 10 acres of open spaces (lawns and parks) and about 2.5 acres of the existing woods.

The storm water control structures and the drainage facilities for this project will be constructed in compliance with the Town of Amherst standards and all applicable DEC requirements for erosion and sedimentation control. A SPDES Permit for Construction Activities will be obtained prior to construction activities. This permit requires that a Stormwater Management and Erosion Control Plan be established. This plan will outline the measures required to control erosion and to provide storm water treatment of paved surfaces.

Canterbury Woods Life Care Community

D. VEGETATION AND WILDLIFE

Wetlands:

There are no changes regarding existing wetlands from that reported in the original DEIS and no impacts on wetlands are anticipated. Review of NYSDEC wetlands maps determined that there were no NYSDEC wetlands on this site. NYSDEC indicated, however, that 3.5 percent of the 62-acre site contained hydric soils which may support the establishment of wetlands. However, none of these wetland areas are part of the Phase II development site. As a result of its original finding the NYSDEC recommended contact with the ACOE to confirm that the Corps did not have jurisdiction on the site. Correspondence confirming that the Corps did not claim jurisdiction was presented in the DEIS.

Vegetation:

Phase II development, as presently proposed, will require the removal of approximately 12.5 acres of open field/meadow vegetation and mature evergreen trees and some deciduous trees. This represents a change of approximately 2 acres that would not have been removed under the original Phase II development concept.

Wildlife:

According to the Erie County Department of Environment and Planning and the NYSDEC, no threatened or endangered plant or animal species are located on the site. However, as a mostly wooded and open field/meadow parcel of land the site is home to a relatively diverse collection of small animal life. White-tailed deer are frequently seen on this parcel as reported by local residents. Site walkovers indicated evidence of deer, gophers, rabbits, squirrels and other small animals.

Impacts and Mitigation

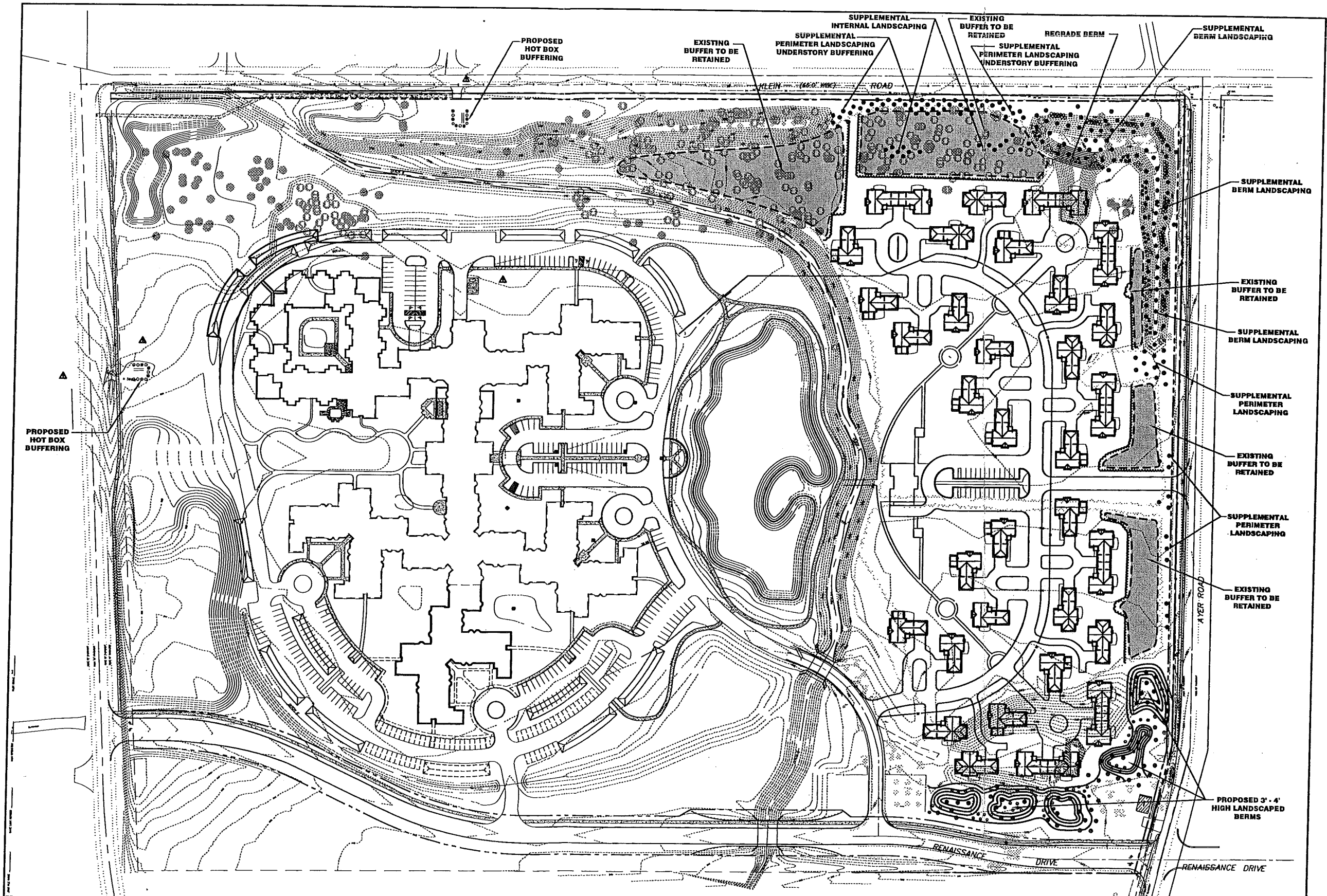
As a result of Phase II development of the property, approximately 12.5 acres of vegetation in the form of trees and shrubs will be removed. Of those 12.5 acres, 7 acres will be reclaimed as landscaped lawn/open space. It is the intent of the project sponsor, however, to preserve as much natural vegetation on site as possible and develop the property with an emphasis on site landscaping and buffering with natural materials. Proposed changes in site design and layout of Phase II will enhance the residential character of the site by incorporating natural features such as supplemental plantings of trees and shrubs in a high quality designed, more park-like setting than originally envisioned for this part of the Canterbury Woods property.

As now proposed Phase II development will afford greatly enhanced green/open space and landscaping opportunities on site in a more residential type neighborhood setting.

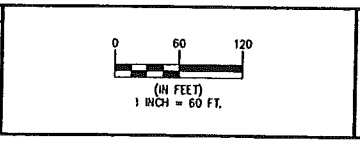
Canterbury Woods Life Care Community

Large areas of impervious surface required for parking under the previous Phase II concept have been eliminated. In addition, existing natural plantings in buffer areas will be supplemented with trees and shrubs to enhance natural vegetation on site. Project sponsors will use mature trees (deciduous trees greater than 3" in caliper and evergreen trees greater than 6 feet in height) for landscaping whenever possible as well as replanting existing trees where possible. Canterbury Woods employs full-time grounds staff to ensure a consistent high level of grounds maintenance. The proposed Landscape Plan is shown as Figure IV-D-1.

There will be some displacement of resident wildlife communities on site, including white tailed deer to less densely developed areas within the Town. Many smaller forms of wildlife will simply adapt to new site conditions and remain in the area. However, Phase II development as proposed provides enhanced green space and open space areas compared to earlier design concepts. The suburban nature of the development will likely result in the re-establishment of some animal communities upon completion of Phase II construction.



Revision	Drawn By	App'd. By	Date



Designed By: G.J.H. Date: 1/02
 Drawn By: P.R.S. Date: 1/02
 Checked By: R.L.S. Date: 1/02
 R.L.S. 1/02
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CHA CLOUGH, HARBOUR & ASSOCIATES LLP
 ENGINEERS, SURVEYORS, PLANNERS & LANDSCAPE ARCHITECTS
 285 MAIN STREET - SUITE 900 718-847-8310
 BUFFALO, NEW YORK 14203 FAX: 718-847-0123
 CHA Project No. 526201

CANTERBURY WOODS & AFFILIATES
 LIFE CARE COMMUNITY
 TOWN OF AMHERST
 ERIE COUNTY, NEW YORK

CANTERBURY WOODS - PHASE II
 PROPOSED LANDSCAPE PLAN
 SCALE: 1"=60' DATE: MARCH 2002 SHEET 1 OF 1

FIG IV-D-1

V. SOCIOECONOMIC SETTING AND IMPACT ANALYSIS

A. LAND USE AND ZONING

Land Use:

The project site is bounded by residential land uses on three sides and by a Town park on the west. The Phase II portion of the Canterbury Woods site is presently undeveloped and consists of evergreen trees, deciduous trees, shrubs and open field/meadow.

Surrounding land use includes:

- Single family residential north of Klein Road.
- East of Ayer Road is being developed as single family residential development similar to that found north of Klein Road.
- Bassett Park (Town park) west of Youngs Road.
- A nursing home, major hospital, and a variety of medical office buildings within a one mile radius of the site.
- Retail and commercial facilities on Transit Road approximately one mile from the site.

Also within the Town are a number of recently developed or planned single family subdivisions, providing an adequate supply of residential building lots for the foreseeable future.

Zoning:

Current zoning on the site is MFR-7. This zone is specifically intended for development of elderly housing. A life care community is a residential land use. While developed at a higher density than single family residential, it is in many ways a less intense use of the land – much of the housing is clustered on site due to the needs of the residents. This site organization results in significant land area at the periphery of the site for buffering of neighboring land uses.

Canterbury Woods Life Care Community

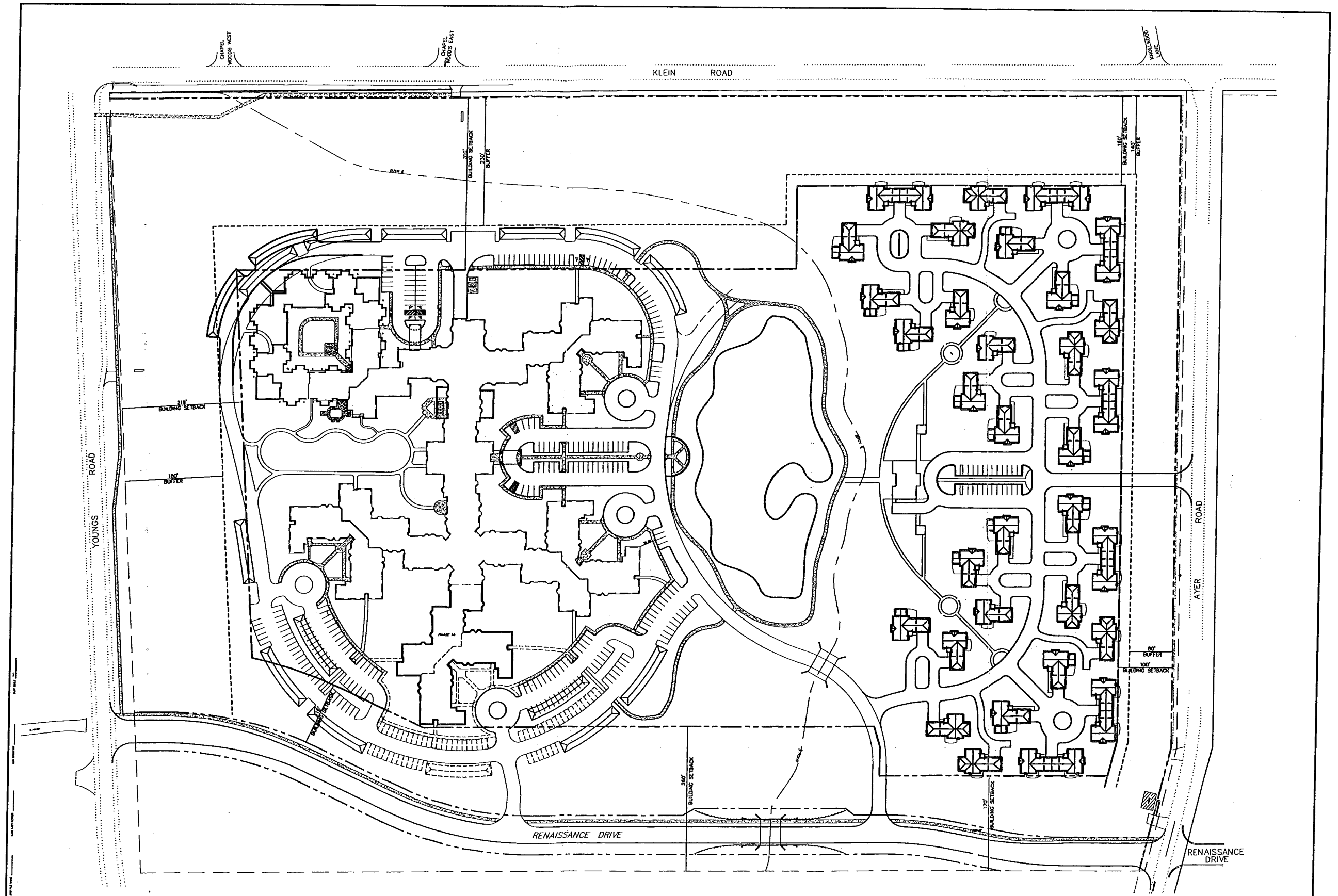
The use proposed, a life care community, is low density when compared to the maximum density allowed by the Town of Amherst Zoning Ordinance for zone MFR-7 (see summary below). The intent of the MFR-7 zone as defined in the Town's Zoning Ordinance is:

“To provide areas within the town for high-density development of housing and limited accessory uses for the elderly and the handicapped. Maximum density will be approximately sixty (60) dwelling units per gross acre, depending on the unit size.”

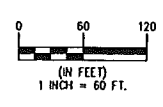
The Project Finding Statement outlined the allowable principal building setback and buffer strip required for the Canterbury Woods project. The intent of the buffer strip requirement was to preserve the existing perimeter vegetation to help screen the proposed project. These setbacks and buffers were established based on the development of a three-story single building unit. The revised Canterbury Woods 'Cottage' development will be more residential in scale and nature and as such a reduction in the allowable principal building setbacks and buffers is appropriate. A summary of the approved and proposed requirements is as follows:

	Project Finding Statement	Proposed 'Cottage' Development
Principal Building Setback:		
North (Klein Road)	320'	160'
East (Ayer Road)	219'	100'
South (Southern Property Line)	260'	170'
Buffer Strips:		
North (Klein Road)	240'	140'
East (Ayer Road)	75'	80'

Figure V-A-1 and V-A-2 show the principal building setback and buffers for the Original Concept and Revised Concept, respectively.



Revisions	Drawn By	App'd. By	Date



Original By: D.J.H. Date: 1/02
 Drawn By: P.R.S. Date: 1/02
 Checked By: R.J.S. Date: 1/02
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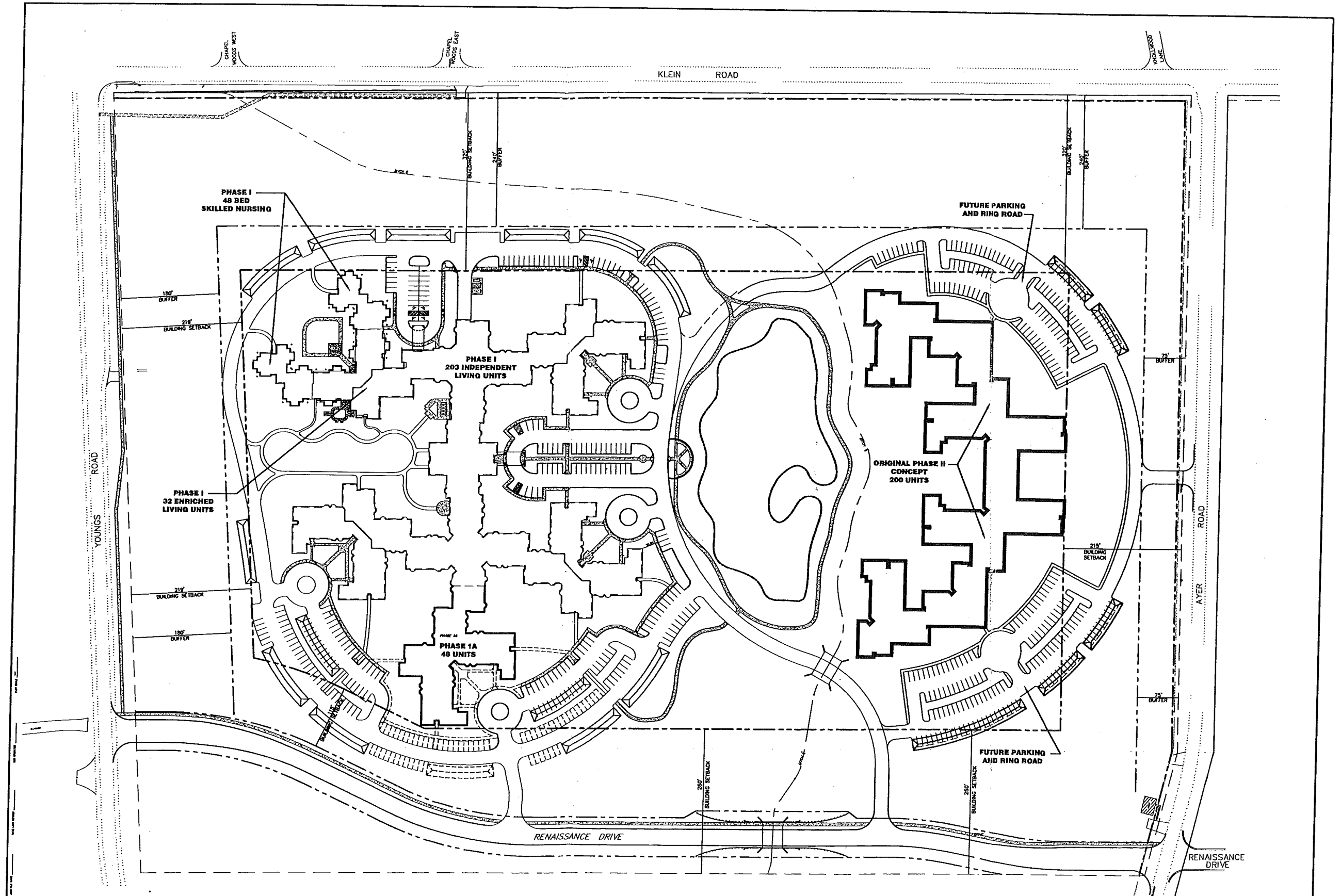
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 ENGINEERS, SURVEYORS, PLANNERS & LANDSCAPE ARCHITECTS
 295 MAIN STREET - SUITE 900 BUFFALO, NEW YORK 14203
 716-847-6310 FAX: 716-847-0123
CHA Project No. 11178

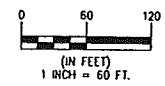
CANTERBURY WOODS & AFFILIATES
 LIFE CARE COMMUNITY
 TOWN OF AMHERST
 ERIE COUNTY, NEW YORK

CANTERBURY WOODS - PHASE II
 PROPOSED SETBACKS AND BUFFERS
 SCALE: 1"=60'
 DATE: MARCH 2002

Drawing No.
FIG V-A-2
 SHEET 2 OF 2



Revised	Drawn By	App'd By	Date



Designed By: Date: 1/02
 D.A.H.
 Drawn By: Date: 1/02
 P.R.S.
 Checked By: Date: 1/02
 R.A.S.



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 CLOUGH, HARBOUR & ASSOCIATES LLP
 ENGINEERS, SURVEYORS, PLANNERS & LANDSCAPE ARCHITECTS
 285 MAIN STREET - SUITE 900 716-847-6310
 BUFFALO, NEW YORK 14203 FAX: 716-847-0123
 CHA Project No. 11178

CANTERBURY WOODS & AFFILIATES
 LIFE CARE COMMUNITY
 TOWN OF AMHERST
 ERIE COUNTY, NEW YORK

CANTERBURY WOODS - PHASE II
 ORIGINAL DEIS SETBACKS AND BUFFERS
 FIG V-A-1
 SCALE: 1"=60'
 DATE: MARCH 2002
 SHEET 1 OF 2

APPENDIX

CORRECTED AND RESTATED CERTIFICATE OF FINDINGS



TOWN OF AMHERST

PLANNING DEPARTMENT

ERIE COUNTY, NEW YORK

5583 MAIN STREET

WILLIAMSVILLE, NEW YORK 14221

716 - 631-7051

FAX - 716 - 631-7153

JOSEPH J. GILLINGS
Planning Director

CHARLES O. BROWN
Ass't. Planning Director

CANTERBURY WOODS REZONING - CORRECTED & RESTATED
CERTIFICATION OF FINDINGS
690 AYER ROAD - Z-40-95

Having considered the Draft and Final EIS, and having considered the preceding written facts and conclusions relied upon to meet the requirements of 6 NYCRR 617, this Statement of Findings certifies that:

1. The requirements of 6 NYCRR Part 617 have been met;
2. Consistent with the social, economic and other essential considerations from among the reasonable alternatives thereto, the action approved is one which minimizes or avoids adverse environmental effects to the maximum extent practicable; including the effects disclosed in the Environmental Impact Statement, and
3. Consistent with social, economic and other essential considerations, to the maximum extent practicable, adverse environmental effects revealed in the Environmental Impact Statement process will be minimized or avoided by incorporating as conditions to the decision those mitigative measures which were identified as practicable.

TOWN OF AMHERST

Name of Agency

Susan J. Grelick

Signature of Responsible Official
TOWN SUPERVISOR

SUSAN J. GRELICK

Name of Responsible Official
FEBRUARY 3, 1997

Title of Responsible Official

5583 MAIN STREET, WILLIAMSVILLE, NY 14221

Date

Address of Agency



FINDINGS TO APPROVE CANTERBURY WOODS REZONING

WHEREAS, following the May 2, 1996, submittal of a Draft Environmental Impact Statement (DEIS) prepared by Clough, Harbour & Associates on behalf of the Episcopal Church Home and Affiliates Life Care Community, Inc., the DEIS was accepted by the Town Board on May 6, 1996. The DEIS was submitted for the proposed rezoning and development of 62± acres of land located on the south side of Klein Road between Youngs and Ayer Roads. On May 16, 1996, the Planning Board held a public hearing on the DEIS; the Board recommended approval of the request on June 20, 1996. Subsequently, public hearings on the DEIS and rezoning request were held by the Town Board on August 5, 1996 and August 19, 1996. A Final Environmental Impact Statement was accepted by the Town Board on November 4, 1996, and a Notice of Completion of the FEIS was filed on November 20, 1996; and

WHEREAS, the Planning and Town Boards have considered the content of the DEIS, the FEIS, and all other documents and comments and submissions made during and after the hearings.

NOW THEREFORE THE TOWN BOARD FINDS AND DETERMINES THAT:

1. These Findings set forth specific conditions and criteria consistent with 6 NYCRR Sections 617.9, 617.11, and 617.15 under which the site plan process can proceed. This process provides procedures to supplement the FEIS if necessary and for public notice and opportunity to participate in hearings before the Town Planning Board before it approves a site plan. An Environmental Assessment Form and an Erosion & Sedimentation Control Plan will be required with site plan application for environmental review. If the proposed development does not conform with these Findings, a supplemental Findings Statement, a supplement to the FEIS, or a Negative Declaration shall be prepared to comply with 6 NYCRR Section 617.15.
2. The proposed residential development as presented in the FEIS is consistent with the intent, objectives and specific requirements of the Zoning Ordinance.
3. Adequate services and utilities must be available prior to occupancy. Review and approval of services and utilities by the Town agencies will be required for site plan approval.
4. Development will be consistent with all other applicable laws, rules and regulations.

m - designates specific mitigation

GEOLOGY, TOPOGRAPHY AND SOILS (DEIS Sec. IV. B.)

m - Soil erosion will be minimized during the construction period by adherence to the Urban Soil Erosion and Sediment Control Committee's NYS Guidelines for Urban Erosion and Sediment Control. The maximum mitigation measures shall be used to prevent any silt loading into Town ditch #4. Measures to be taken include the following:

m - During construction, as building and road sub-grade are formed by fill, work will proceed as quickly as possible and any slopes will be seeded with quick-germinating rye (10-15 lb. per 1,000 square feet). During this time, any gullies or washes that should develop are to be filled and the surface regraded to prevent washes in the same location.

m - Temporary drainage swales will be provided with a minimum grade of 1 percent to direct run-off away from the construction site. Swales will be provided with staked and secured hay bale berms combined with a silt fence to prevent downstream siltation. Location of hay bales and discharge areas will be approved by the Town Engineer.

m - Subsurface drainage will be provided when deemed necessary by the project engineer to intercept seepage that would otherwise adversely affect slope stability or create excessively wet site conditions.

m - Site development will be staged to limit disturbed areas.

m - All erosion control measures as deemed necessary by the Town Engineer will be implemented.

m - All regrading will include the measures above, where applicable.

m - Mitigation for floor wetness and frost action shall be completed as discussed in the DEIS, Sec. IV B. (p. 22).

6. HYDROLOGY AND DRAINAGE (DEIS Sec. IV. C.)

m - Implementation of New York State Soil Erosion & Sediment Control measures shall insure that water quality in Town Ditches #4 and #26B will not be negatively impacted. The Engineering Department shall require submittal of a 'typical lot' erosion control plan with the road site plan application and a specific erosion control plan with any subsequent site plan request.

m - During construction, all construction equipment should be properly maintained to prevent contamination due to spills. During operation, the perched water table will be controlled by drainage. Road salting should be used only as necessary and pesticide applications, if required, applied professionally.

m - Mitigation for potential pollutants and sediments shall include a properly designed, constructed and maintained storm water system. Catch basins and other storm structures will provide areas for trapping and removal of sediments and pollutants, especially grease and oils. Swales and detention basins will also allow sediments and pollutants to settle out of surface water. Plant materials shall be used in these areas to further act as a water emission cleanser.

m - Town policy requires that all developments provide facilities adequate to assure disposition of surface water without adverse effect on other property. The Town of Amherst Engineering and Building Departments shall review, approve and monitor proposed drainage plans and the impacts of proposed developments on the entire watershed. The developer will retain a professional engineer to calculate the size locations of all storm water detention areas. All designs and engineering calculations must then be approved by the appropriate town, state or federal agencies having jurisdiction over this project. A network of catch basins and storm lines will discharge into the existing swale. Portions of the swale will be relocated to accommodate the construction of the site improvements. A SPDES Permit for Construction Activities will be obtained prior to construction activities. The Town's storm water detention policy shall apply to development proposals for this site.

m - The Engineering Department and the Fire Chiefs' Council shall review site specific development plans to determine the adequacy of the water supply and the location of fire hydrants for fire protection purposes. A plan for ownership and maintenance of all drainage facilities will be required for site plan review. Any discharge of storm water into Ransom or Gott Creeks shall require a permit from the NYSDEC.

m - The petitioner shall design, construct and maintain ponded areas in a manner that discourages or eliminates mosquito propagation. The Highway Department's mosquito control operation (DEIS has been approved by the NYSDEC) shall have permission to monitor for mosquito larvae and shall treat the water with larvicide if the situation warrants it.

m - The Highway Department requires that proper pond maintenance, such as mowing and eliminating standing water, be performed. Pond maintenance shall be the sole responsibility of the property owner.

7. VEGETATION & WILDLIFE (DEIS Sec. IV. D.)

m - Wherever possible the project will retain or relocate existing trees. A buffer strip of 240± ft. will be provided along the north side and 180± ft. along the west side of the site, and one of 75± ft. will be placed on the east side, east of the ring road.

m - A berm 4-6 ft. in height with landscaping, constructed according to the recommendations of the Planning Department, will be put in place along Klein Road prior to any construction on the site.

m - Deciduous trees greater than three inches in caliper and evergreen trees greater than six feet in height will be used for landscaping.

m - Renaissance Drive shall be located to maintain the existing natural buffer strip along the south property line.

8. LAND USE & ZONING (DEIS Sec. V. A.)

The proposal is consistent with Part I, Section 2-1.11 of the Zoning Ordinance which seeks to guide the future development of the Town so as to bring about the gradual confor-

mity of land and building uses in accordance with the objectives of the Comprehensive Plan.

m - Development density on this site shall not exceed the following levels: independent living units, 452; enriched housing units, 32; skilled nursing beds, 48.

m - Building height shall not exceed 43 feet.

m - Setbacks for principal buildings shall not be less than 215± ft. at Ayer Rd., 219± ft. at Youngs Rd., 115± ft. at the north right-of-way line of Renaissance Drive to the nearest principal building and 260± at the south property line to the nearest principal building and 320± at Klein Road.

9. FISCAL ANALYSIS (Sec. V. B. DEIS)

m - The fiscal impact of the project is discussed in Sec. V.B. of the DEIS. That analysis shows that the proposed project will have a beneficial economic impact on the Town.

m - A payment-in-lieu-of-taxes (PILOT) will be negotiated between the Town and the developer.

10. COMMUNITY SERVICES (Sec. V. C. DEIS)

m - The Engineering Department and the Fire Chiefs Council shall review site specific development plans to determine the adequacy of the water supply and the location of fire hydrants for fire protection purposes. A plan for ownership and maintenance of all drainage facilities will be required for site plan review.

m - Water and sewer services will be designed and constructed in accordance with the Erie County Water Authority, Erie County Health Department, NYSDEC, the Town of Amherst and any other agencies having jurisdiction over the project.

m - Building security systems and exterior lighting will be used.

m - The internal site roadways will be constructed and maintained by the project developers.

m - Smoke and fire detection systems and sprinkler systems will be installed. Coordination of site design with Town Fire District to provide proper access to all buildings will be required.

m - Private refuse collection will be utilized.

11. AESTHETICS (DEIS Sec. V. D.)

m - Quality architecture, a design theme and well-maintained grounds as outlined in the DEIS will be required.

12. TRAFFIC (DEIS Sec. V. E.)

m - The extension of Renaissance Drive from Ayer Road to Youngs Road shall be provided and paid for by the developer. Sidewalks will be required.

m - Renaissance Drive will align to the west with the unimproved ROW from Bassett Road and to the east with the newly constructed Renaissance Drive between Transit and Ayer Roads.

m - Left turn vehicular storage shall be provided on Renaissance Drive at connection points with both Ayer and Youngs Road.

m - Vehicular access to Klein Road is prohibited.

m - The developer shall provide a ten (10) foot wide strip of land at no cost to the Town along the east property line (Ayer Rd.), and the north property line (Klein Rd.) to facilitate a future roadway widening improvement.

m - Supplemental analysis of traffic impacts and mitigation may be required.

m - Specific requirements for the roadway and intersection design and a determination of the requirements for traffic control devices at proposed intersections with Ayer and Youngs Roads will be made during site plan review.

m - The intersection of Maple Road with Youngs Road has been studied in the Town Traffic Study. Implementation of recommended improvements will occur as the Town is able

to program and fund them (letter by Town Highway Superintendent dated 7-1-96).

- m - The signal optimization required at the intersection of Maple Road with Ayer Road can be included as an implementation measure of the Town Traffic Study.
- m - The Town Police Department will monitor traffic accident incidence along Klein Road to identify any trends or specific problems.

13. ARCHAEOLOGY (DEIS Sec. V. F.)

It has been determined by the NYS Office of Parks, Recreation and Historic Preservation that the project will have no impact on cultural resources eligible for inclusion in the State & National Registers of Historic Places.

JLW/lzc
cntrbry.doc-disk



TOWN OF AMHERST

PLANNING DEPARTMENT

ERIE COUNTY, NEW YORK

5583 MAIN STREET

WILLIAMSVILLE, NEW YORK 14221

716 - 631-7051

FAX - 716 - 631-7153

RECEIVED

MAR 28 1997

JOSEPH J. GILLINGS
Planning Director

CHARLES O. BROWN
Ass't. Planning Director

Clough, Harbour & Associates LLP
Buffalo, NY

March 28, 1997

Episcopal Church Home &
Affiliates Life Care Community, Inc.
24 Rhode Island Street
Buffalo, NY 14213

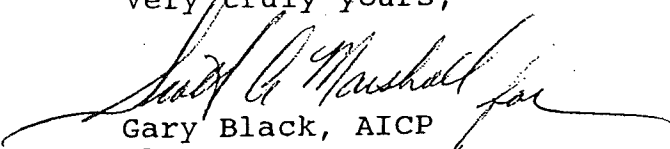
SUBJECT: Site Plan Review, SP-2-97. Proposed Canterbury Woods Ph.
1 & 1A; property located at 690 Ayer Road.

Dear Sir/Madam:

At their March 20, 1997, meeting, the Planning Board voted to **approve** the subject site based on the attached resolution. Please address all conditions of the Resolution of Approval. Site work cannot begin until the zoning has been finalized, **seven** copies of the site plan have been stamped approved and signed by the Planning Department, and a building permit is issued by the Building Department.

Should you have any questions regarding this the Planning Board's decision, please do not hesitate to contact our office.

Very truly yours,


Gary Black, AICP
Planner

GB/SM/lzc
2-97-lz

cc: Renaldo Myers & Palumbo, 350 Essjay Dr., Williamsville NY
14221
✓ Clough Harbour Assoc., 40 LaRiviere Dr., Buffalo NY 14202



TOWN OF AMHERST

PLANNING DEPARTMENT

ERIE COUNTY, NEW YORK

5583 MAIN STREET

WILLIAMSVILLE, NEW YORK 14221

716 - 631-7051

FAX - 716 - 631-7153

JOSEPH J. GILLINGS
Planning Director

CHARLES O. BROWN
Ass't. Planning Director

SEQR Negative Declaration

NOTICE OF DETERMINATION OF NON-SIGNIFICANCE

Lead Agency: Town of Amherst
Planning Board
Address: 5583 Main Street
Williamsville, NY 14221
(716) 631-7051

Project: SP-2-97

Date: 3/20/97

This notice is issued pursuant to Part 617 and Local Law #3-82, as amended, of the implementing regulations pertaining to Article 8 (State Environmental Quality Review) of the Environmental Conservation Law.

The Lead Agency has determined that the proposed action described below will not have a significant adverse effect on the environment.

Title of Action: Site Plan Review

SEQR Status: Type I Action; DEIS, FEIS, and Findings Statement completed.

Description of Action: Proposal to construct Phase I & IA of a Life Care Community consisting of 452 independent living units and health center that includes 32 enriched housing units and 48 skilled nursing beds. Proposal includes the following (1) Internal roadways, 399 parking spaces, 70 of which are located in carports, (2) Two retention ponds, relocation of Town ditch #4/26B and internal storm water drainage, (3) construction of Renaissance Drive from Youngs Road to Ayer Road, (4) Water and sanitary sewer service from Klein Road, (5) Construction of berms primarily along Klein Road and other site regarding, (6) Landscaping of berms and all other associated structures, roads, and paved areas.

Location: 690 Ayer Road

Petitioner: Episcopal Church Home & Affiliates Life Care Community Inc.

Reasons Supporting This Determination

Based on information submitted by the applicant a preliminary staff analysis was undertaken and an EAF prepared. All indications are that the project will not have a significant impact on the environment, as follows:

1. The project is consistent with the recommendations of the Master Plan and compatible with surrounding use.
2. Thresholds and criteria used to establish required mitigations in the DEIS, FEIS, and Statement of Findings for the entire 63± acre "Canterbury Woods" Life Care Facility development were not exceeded by the proposed Phase I & IA of this development.
3. Facilities and services are or will be available and adequate.
4. The project meets or will meet the regulations of the Zoning Ordinance.
5. Compared against the criteria listed in Section 617.11; all indications are that the project will not cause a substantial adverse change in cultural and natural features, design and aesthetics, and circulation.
6. Coordinated review by Town departments indicates that the proposal will not have a significant damaging impact on the environment.

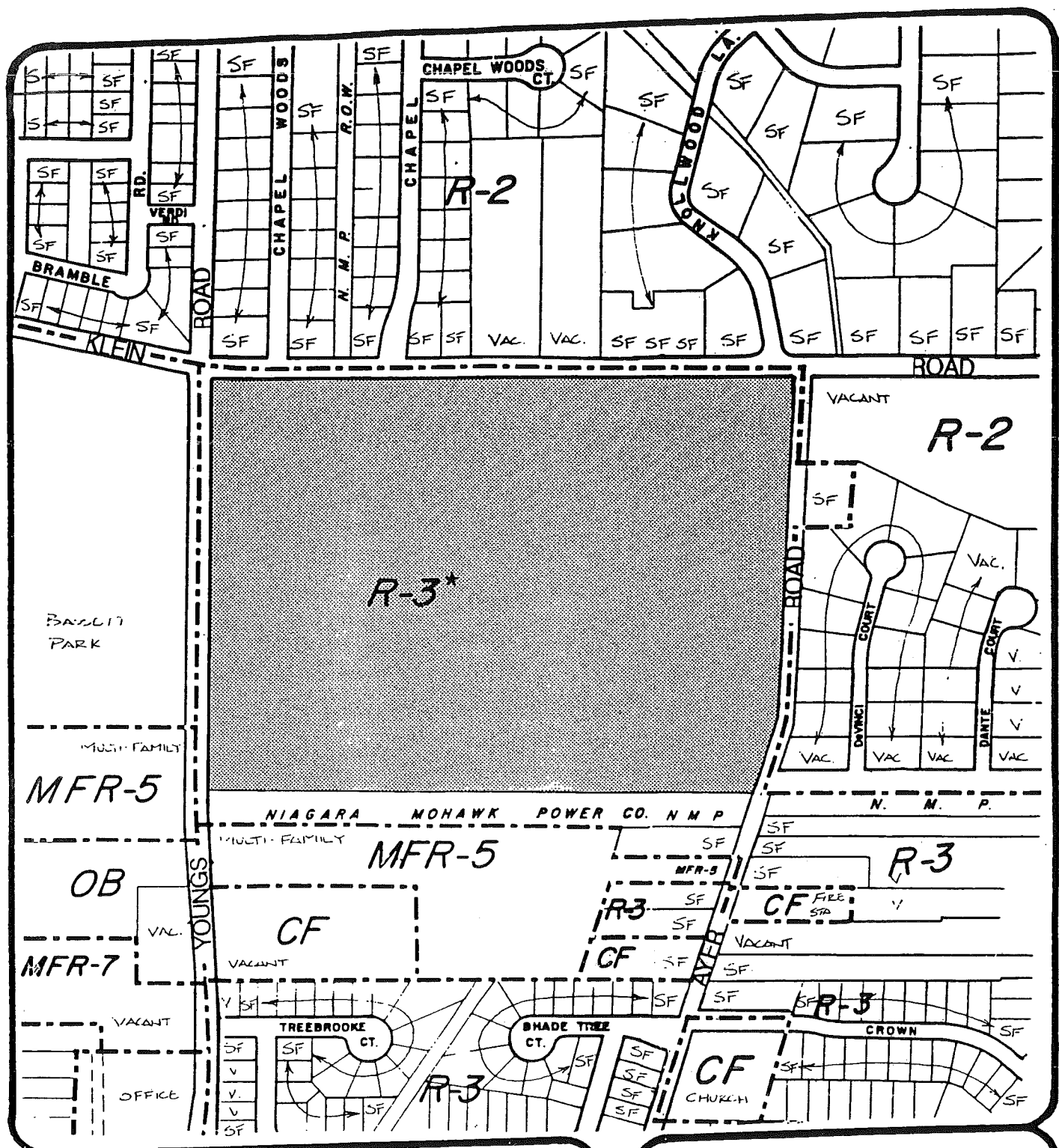


Scott A. Marshall, Planner

SM/lzc

2-97-lz

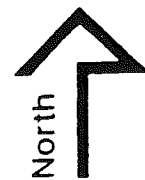
cc: Town Clerk
Building Dept.
Highway Dept.
Engineering Dept.
Fire Chiefs' Council
ECDEP



SP-2-97

Proposed Canterbury Woods Life Care Community
690 Ayer Road

Clough Harbour Associates for Episcopal Church Home &
Affiliates Life Care Community, Inc., Petitioner
March 20, 1997



North



Subject Parcel

★ Zoned MFR-7 pending posting of restrictions

TOWN OF AMHERST
PLANNING BOARD
SITE PLAN RESOLUTION
SP-2-97

PETITIONER

Episcopal Church Home
Life Care Community, Inc.
24 Rhode Island Street
Buffalo, NY 14213

PROPERTY LOCATION

690 Ayer Road

WHEREAS the Town of Amherst Planning Board on Thursday, March 20, 1997, held a public hearing on a Site Plan for a proposed Canterbury Woods Life Care Facility, Phase I & IA, and

WHEREAS the Planning Board has reviewed the plans and specifications for the proposed project, and

WHEREAS the Site Plan has been referred to the Town's various review agencies, and

MAR27'97 AM11:48 RCUD

WHEREAS the Planning Board finds that:

1. The proposed site plan is consistent with the intent, objectives and specific requirements of the Zoning Ordinance, and
2. Adequate services and utilities are or will be available prior to occupancy, and
3. Pursuant to Local Law #3-82, as amended, the Planning Board has determined that the requirements of SEQR are complete and that the subject proposal is not expected to have a significant adverse effect on the environment.
4. Under Section 404 of the Clean Water Act, the US Army Corps of Engineers has determined that it has no jurisdiction.

NEW THEREFORE BE IT RESOLVED that the Planning Board adopts the corrected and restated Certification of Findings Statement for "Canterbury Woods" rezoning, 690 Ayer Road (Z-40-95) and adopted by the Town Board on February 3, 1997., and

BE IT FURTHER RESOLVED that in accordance with 6 NYCRR, Part 617 and Local Law #3-82, as amended herein the Planning Board issues a Negative Declaration, and

BE IT FURTHER RESOLVED that the Planning Board, in accordance with Part IX, Section 2-3 approves said Site Plan subject to the following conditions:

TOWN OF AMHERST
SITE PLAN RESOLUTION
SP-2-97

PETITIONER

Episcopal Church Home
Life Care Community, Inc.

PROPERTY LOCATION

690 Ayer Road

1. That the consideration of signs be specifically excluded from this approval since no sign details were presented.
2. That any lights used to illuminate the property be equipped with adjustable hoods to control light spread and direction so as not to create any nuisance to nearby properties, and that lights not exceed 25 feet in total height from finished grade. MAR27'97 AM11:47 RCUD
3. That all dumpsters/trash containers and all mechanical equipment, utility structures, multiple meter boards, generators, and similar appurtenances, including those which are mounted on any part of a primary structure shall be appropriately screened with a fence, wall, and/or landscaping. Such screening shall be shown on the plans submitted for review. Provide gate on dumpster enclosure that shall be closed whenever dumpster is not being serviced.
4. That contingent upon Town Board approval; sidewalks be installed on the west side of Youngs Road the entire length of Town property (Bassett Park) in lieu of the east side, if the Town Board denies this request, they shall be installed on the east side of Youngs Road along the subject property.
5. That sidewalks be installed on the south side of Klein Road from Youngs Road to the east side of Chapel Woods Drive as part of Phases 1 and 1A. Sidewalks will be required along the remainder of Klein Road as part of any subsequent phase of this project or if required by the Town Board.
6. That sidewalks are waived along Ayer road.
7. That revised grading and landscape plans that address the concerns of the Planning Department be submitted and approved by the Engineering and Planning Departments.
8. That the RPZ's and meter boxes are appropriately screened with landscaping.

TOWN OF AMHERST
SITE PLAN RESOLUTION
SP-2-97

PETITIONER

Episcopal Church Home
Life Care Community, Inc.

PROPERTY LOCATION

690 Ayer Road

9. That a legal description be provided for the lands to be donated to the Town along Klein and Ayer Roads.
10. That traffic control signage and pavement markings acceptable to the Highway Department be provided at the intersections of Renaissance Drive with Youngs and Ayer Roads.
11. That the rezoning is finalized. MAR27'97 AM11:47 RCUD
12. That all requirements of the corrected and restated certificate of findings be addressed.
13. That written approval from Sun Pipeline Co. is received prior to issuance of final approved plans.
14. That all conditions stated in the memorandum dated March 20, 1997, from the Building Department be addressed prior to issuance of final approved plan
15. That all conditions stated in the memorandum dated March 19, 1997, from the Engineering Department are addressed prior to issuance of final approved plans.
16. That all mitigation of concerns stated in the Clough Harbour & Associates' letter to the Highway Department dated March 4, 1997, be addressed prior to issuance of final approved plans.
17. That all mitigation of concerns stated in the Clough Harbour and Associates' letter to the Fire Chiefs' Council dated March 6, 1997, are addressed prior to issuance of final approved plans.
18. That this approval is for Phase I & IA only; a separate site plan approval will be required for the Phase II development. The area for Phase II construction will be left undisturbed.
19. That a work limit line be provided on all drawings defining phases of construction, including limiting construction away from Phase II area. Construction limit line should be marked on the site.

TOWN OF AMHERST
SITE PLAN RESOLUTION
SP-2-97

PETITIONER

Episcopal Church Home
Life Care Community, Inc.

PROPERTY LOCATION

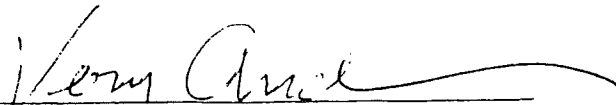
690 Ayer Road

20. That prior to the start of construction, the work limit line as shown on approved plans will be clearly marked in the field and verified by the Town.
21. That PIP's are required for Renaissance Drive and work on Town Ditch #4.

MAR27'97 AM11:47 RCVD

The foregoing resolution was adopted by the

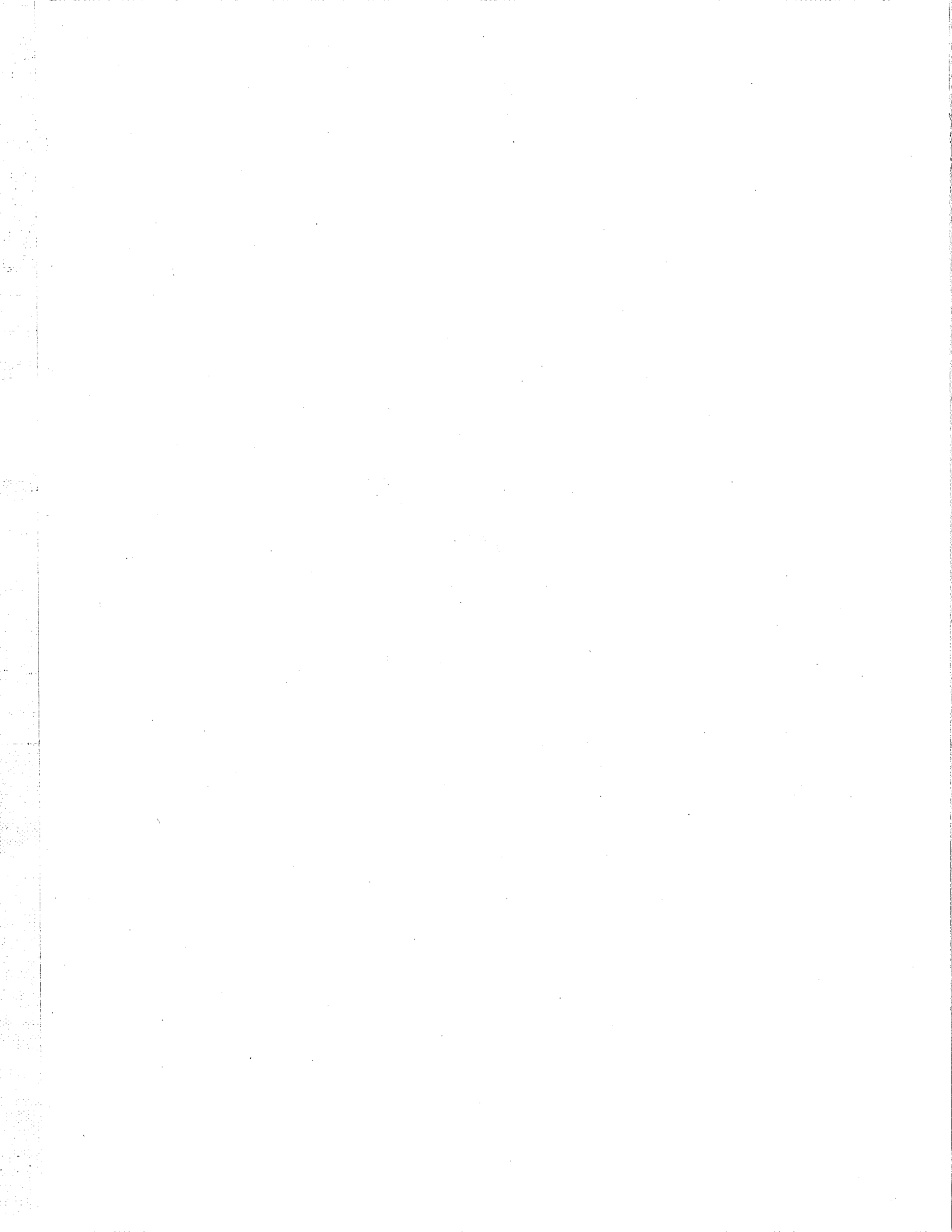
Town of Amherst Planning Board, March 20, 1997


Vern Anderson, Chairman

SM/lzc
2-97-lz

cc: Town Clerk
Commissioner of Building
Highway Superintendent
Town Engineer
Fire Chiefs
Traffic-Safety
Petitioner

Approved Plan
Received: 2/4/97
SL1, N1, U1 & 2, G2 & 4,
L1, LT1,
Received: 3/6/97
G1 & 3
Received: 3/20/97
Renaissance Dr.
intersection details



Canterbury Woods Life Care Community

Impact and Mitigation

Land Use:

Canterbury Woods, as proposed, is a low-density residential land use consistent in intent with the Town's Community Development Plan. This high quality development is at least comparable in quality to neighboring land uses.

The proposed revised project will provide a compatible land use appropriate to the neighborhood. It will buffer the residences north of Klein Road from the more intensely developed condominiums to the south.

Zoning:

Phase II development will comply with the Town of Amherst MFR-7 zoning. The building height is significantly reduced and is below the 35' allowable residential building height. The reduction of building height, reduced density and the more residential nature of the development justify the reduction in allowable principal building setback and buffer strips. Additional landscaping along the north and east side and berming and landscaping on the southside help mitigate this reduction.

B. AESTHETICS

Visual:

The current visual environment of the Phase II site is characterized by a mix of evergreen and some deciduous trees in the northeastern part of the site and meadow/open field in the southeastern portion of the property. The project proposes to maintain as much of these natural characteristics as possible. To accomplish this the project will retain existing trees wherever possible to complement other landscaping methods (new plantings, naturalistic berms, etc.) in buffer areas and around the residential buildings. Landscaped buffers that have already been established under Phase I development will be supplemented with the planting of additional trees and shrubs, particularly in understory areas of existing vegetation to enhance these areas as visual screens. Visual Simulations are provided Figure V-B-1 through V-B-4 demonstrating the visual aesthetic differences from the original Concept and the revised Concept.

Canterbury Woods Life Care Community

Architectural:

The manner in which Canterbury Woods fits into the fabric of the Town is, in large part, contingent upon the aesthetic standard it has been designed to meet. With few exceptions, this part of the Town of Amherst features quality residential architecture and well-maintained grounds reflecting a great deal of personal pride of ownership.

As proposed, Phase II development will be consistent in visual character and scale with surrounding residential neighborhoods. As part of the original concept, a single large residential building complex has been replaced by English cottage style residential buildings. These residential units will be consistent in style and appearance with other portions of Canterbury Woods developed under Phase I. Phase II will create enhanced green/open space and landscaping opportunities, less impervious surface since the need for large parking areas has now been eliminated, lower building heights consistent with local neighborhood character, peaked rooflines, sidewalks and residential style streets.

Design Theme:

The specific architecture of the project takes its cue from the steep roofs and deep overhangs of the English country house movement. The highly articulated plan and varied number of levels provides for an informal, almost romantic expression. Materials included involve a wide palette of masonry, plaster, wood, and shingles arranged to produce a unique effect for each cluster and component of the project. Viewed, as it will be, in combination with the gardens, walls, and walks of its site, Canterbury Woods provides a residential setting that incorporates the aspects of a stately country house with the most up-to-date set of services and conveniences necessary for its senior population. The English country home theme was selected for its compatibility with local residential scale and the high quality and longevity of its building materials. Canterbury Woods will be constructed of materials that include indigenous stone, brick, stucco, wood, plaster, and shingles.

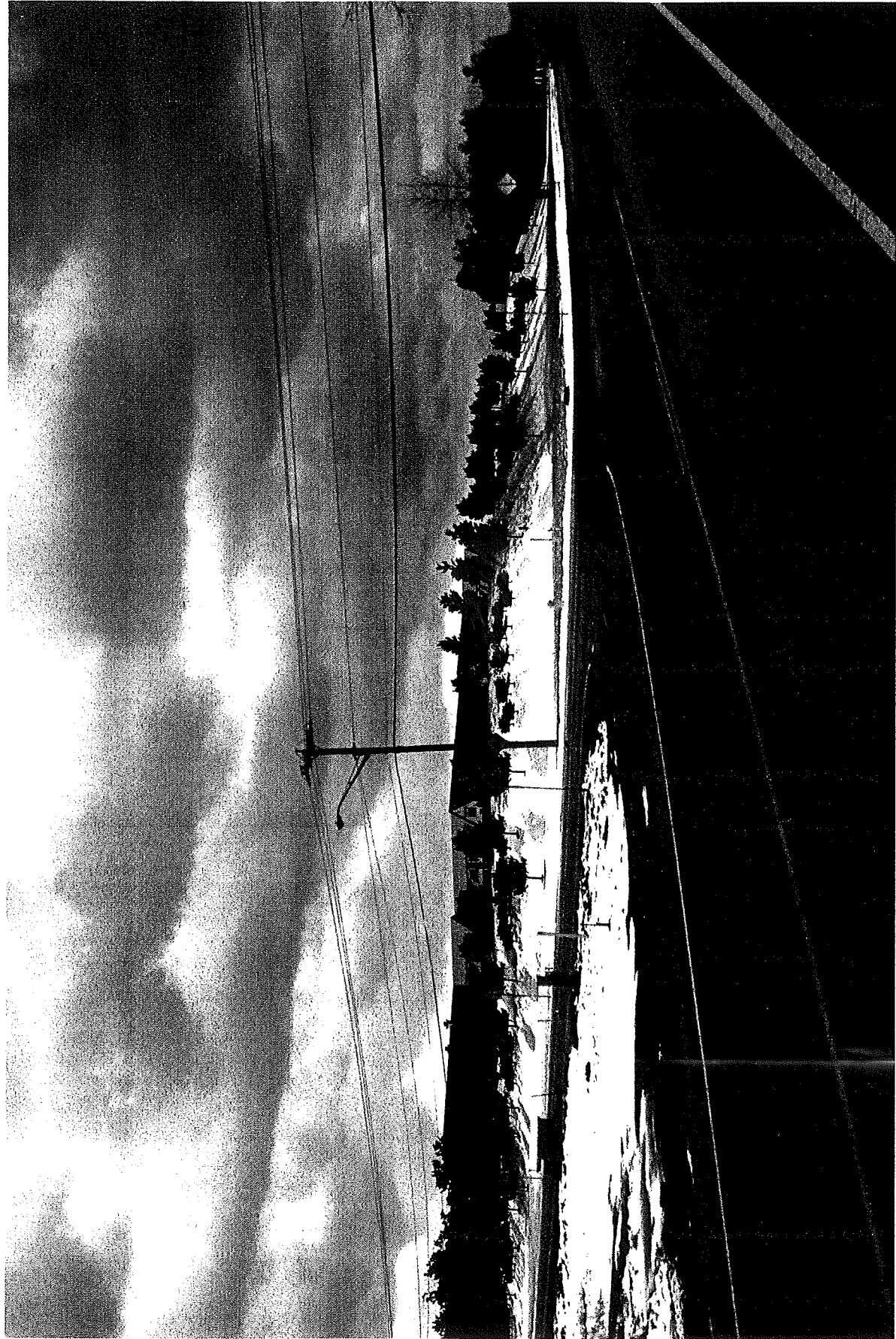


EXISTING VIEW 1
VIEW FROM THE INTERSECTION OF
KLEIN ROAD AND AYER ROAD,
LOOKING SOUTHWEST TOWARD
THE PROPOSED BUILDING LOCATION.

CHA
**CLOUGH, HARBOUR
& ASSOCIATES LLP**
ENGINEERS, SURVEYORS, PLANNERS
& LANDSCAPE ARCHITECTS

DATE: APR. 2002 CANTERBURY WOODS

EGA
ARCHITECTS

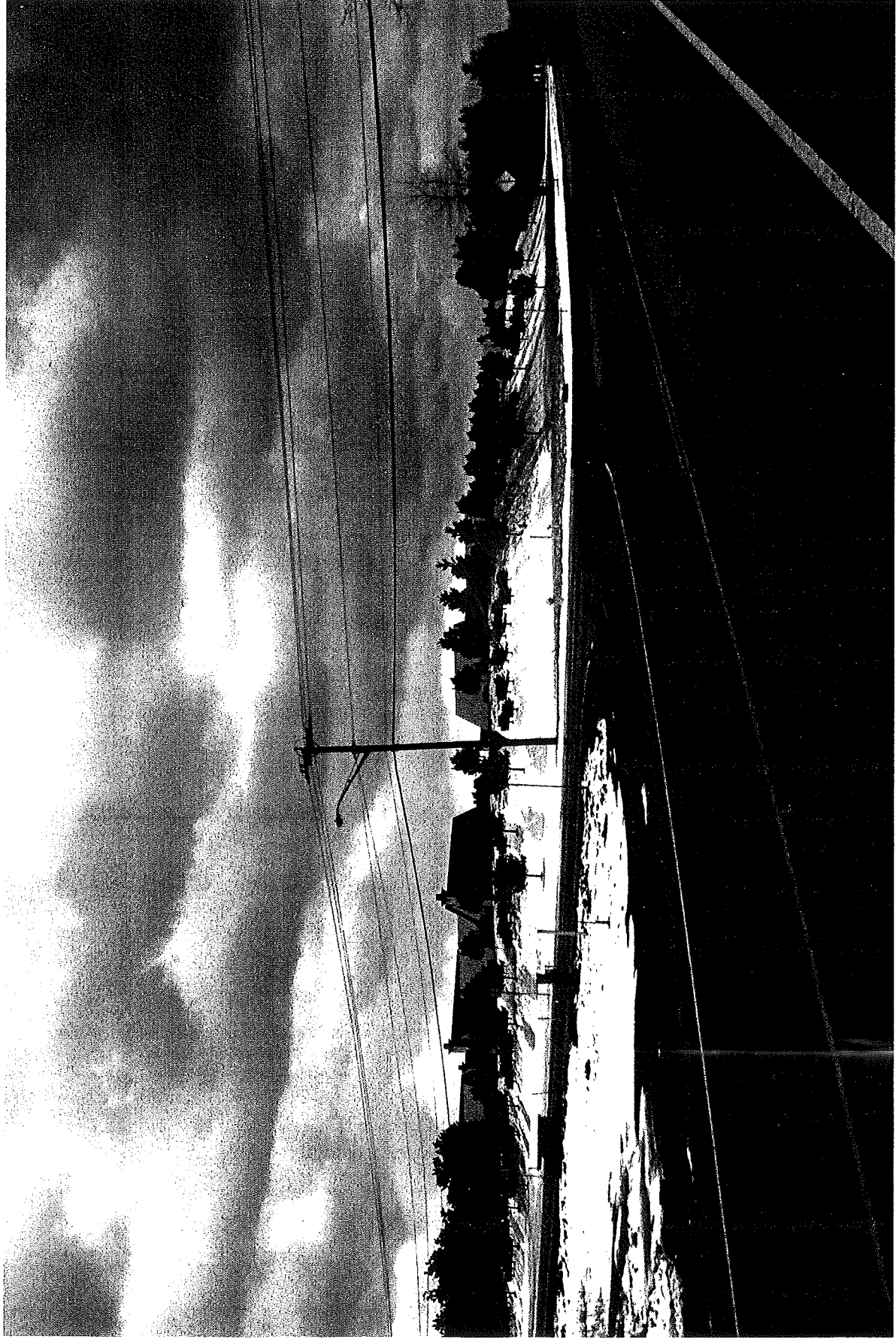


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**CLOUGH, HARBOUR
& ASSOCIATES LLP**
ENGINEERS, SURVEYORS, PLANNERS
& LANDSCAPE ARCHITECTS

**PROPOSED VIEW 1 - ALTERNATIVE #1
VIEW FROM THE INTERSECTION OF
KLEIN ROAD AND AYER ROAD,
LOOKING SOUTHWEST TOWARD
THE PROPOSED BUILDING LOCATION.**

EGA
ARCHITECTS

DATE: APR. 2002 **CANTERBURY WOODS**



EGGA
ARCHITECTS

PROPOSED VIEW 1 - ALTERNATIVE #2
VIEW FROM THE INTERSECTION OF
KLEIN ROAD AND AYER ROAD,
LOOKING SOUTHWEST TOWARD
THE PROPOSED BUILDING LOCATION.

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& ASSOCIATES LLP**
ENGINEERS, SURVEYORS, PLANNERS
& LANDSCAPE ARCHITECTS

DATE: APR. 2002 | CANTERBURY WOODS



EXISTING VIEW 2
VIEW FROM AYER ROAD,
LOOKING NORTHWEST TOWARD
THE PROPOSED BUILDING LOCATION

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ENGINEERS, SURVEYORS, PLANNERS
& LANDSCAPE ARCHITECTS

DATE: APR. 2002 | CANTERBURY WOODS

EGA
ARCHITECTS



EGA
ARCHITECTS

PROPOSED VIEW 2 - ALTERNATIVE #1
VIEW FROM AYER ROAD,
LOOKING NORTHWEST TOWARD
THE PROPOSED BUILDING LOCATION

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& ASSOCIATES LLP**
ENGINEERS, SURVEYORS, PLANNERS
& LANDSCAPE ARCHITECTS

DATE: APR. 2002 CANTERBURY WOODS



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ARCHITECTS

PROPOSED VIEW 2 - ALTERNATIVE #2
VIEW FROM AYER ROAD,
LOOKING NORTHWEST TOWARD
THE PROPOSED BUILDING LOCATION

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& ASSOCIATES LLP**
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& LANDSCAPE ARCHITECTS

DATE: APR. 2002 | CANTERBURY WOODS

Canterbury Woods Life Care Community

Building Heights:

The Project Finding Statement outlines a 43' maximum building height for the Canterbury Woods project. That maximum building height would be utilized for development under the original concept. The height of residential buildings constructed under the revised Phase II concept will not exceed 31 feet.

Impacts and Mitigation

Design Theme:

The design theme selected features high-quality custom architecture combined with well-maintained park-like grounds. The English cottage style residential buildings and landscaped grounds to be developed under Phase II are compatible and consistent with local neighborhood character in scale and design.

Building Height:

Building heights of residential units under Phase II will be consistent with the fabric of the neighboring community. There will be no significant visual impact from building height.

C. TRAFFIC

A summary of the total number of units allowed per Project Finding Statement under the original Phase II concept and the proposed Phase II cottage concept is as follows:

	Original Phase II Concept	Revised 'Cottage' Phase II
Independent Living Units	452	291
Enriched Housing Units	32	32
Skilled Nursing Beds	48	72
Total	532	395

Canterbury Woods Life Care Community

This correlates to approximately 25% reduction in the number of units and matches the similar 25% reduction in building areas. Based on ITE trip generations a similar 20% to 25% reduction in traffic from the original Phase II concept would be anticipated.

D. ARCHAEOLOGY

All cultural resource investigations for the 62 acre Canterbury Woods project site were completed in 1996 at the time of the preparation of the DEIS. All cultural resource investigations were performed in compliance with the National Environmental Policy Act of 1969; the National Historic Preservation Act of 1966; Executive Order 11593; the Archeological and Historic Preservation Act of 1974; and the New York State Historic Preservation Act of 1980. It was determined at that time by the NYS Office of Parks, Recreation and Historic Preservation (SHPO) that the project will have no impact on cultural resources either listed on or eligible for inclusion in the New York State or National Register of Historic Places. No further cultural resource investigation is required.

The existing single family residence located in the southeast portion of the Phase II development was deemed a local landmark by the Amherst Town Board. The proposed revised development of Phase II will not impact this structure. Any potential impact on this structure would be subject to a determination of significance pursuant to SEQR.

Impacts and Mitigation

Impacts:

No impacts to cultural resources are anticipated from Phase 2 development.

Mitigation:

No mitigation is required.

Canterbury Woods Life Care Community

VI. ALTERNATIVES

This discussion will focus on the density impacts to the site of alternative development scenarios; i.e., full development under the previously DEIS approval and redevelopment of Phase II with cottages. Implications of the No Action alternative will also be discussed in this section.

Original Concept - Full Development under previous DEIS approval:

The original Phase II development proposed a density of 200 units over its 18 acres or approximately 11.1 units per acre. The project density limitations and building height requirements for Canterbury Woods were established by the Project Finding. An overall density of 8.6 units per acre at full development and a maximum building height of 43' was outlined.

The project density will be mitigated through establishment of large principal building setbacks and maintenance of buffer strips along the periphery. The buffers will consist of naturalistic berms planted with high quality plant material. The buildings will be clustered in the center of the site within a park-like setting. The architectural detail and the residential scale of the development will also serve to de-emphasize the apparent density of the development.

Revised Concept - Cottage Style Design Alternative

Phase II development proposes a density of 40 units over its 18 acres or approximately 2.3 units per acre and reduces the overall project density to approximately 6.4 units per acre. Rather than one building complex the project now envisions these residential cottages evenly distributed throughout the eastern part of the site. The building height will be approximately 31 feet. Due to a density similar to and less than and R-3 zoning and a more residential building height, justification exists to reduce the principal building setback and buffer requirements.

The cottage style alternative design will create considerable green/open space and landscaping opportunities. In addition, the cottage style alternative design will not create the large areas of parking as originally proposed for Phase II. Instead a residential

Canterbury Woods Life Care Community

neighborhood character will be created that is consistent in scale, and visually compatible with, surrounding residential neighborhoods. Adjacent buffers on site will be improved to soften views from off-site. Improvements will include supplemental plantings of trees along existing buffers and additional plantings in the understory of existing trees on site.

No Action:

The No Action Alternative would result in the eastern portion of the project site remaining undeveloped. On site vegetation would remain, site topography and drainage patterns would not be altered and the remaining wildlife habitat would not be disturbed.

Employment benefits to residents (20 new permanent jobs in Phase II) and revenue benefits to the Town would not be realized. The opportunity for seniors to remain in their community in a more independent fashion would not be available. Those seeking the comfort of a life care community and independence afforded by this type of development may be forced to relocate outside the western New York region. With this out-migration, the Town of Amherst would lose the cultural/age diversity, existing financial resources (savings and holdings), and spending power (the majority of the residents are independent and will continue long-established spending habits in Town businesses) of a significant number of Western New York citizens.

VII. GROWTH INDUCING IMPACTS

A. POPULATION GROWTH

The proposed project will not directly generate new population and is not expected to induce new residents for jobs provided at the project site. Permanent jobs will probably be filled from the local job pool.

B. SUPPORT FACILITIES

No new municipal support facilities will be required to meet the demands of the proposed project. Although the project may require emergency services from the local fire department and medical facilities, no new facilities or other capital investments are anticipated to be required to serve this project.

C. INDUCED DEVELOPMENT POTENTIAL

The proposed project is not expected to have a significant impact on the growth of the project vicinity. Due to the nature and demographics of a life care community, it will not serve as a significant destination, nor will it spur ancillary development to support the site.

VIII. IRREVERSIBLE AND IRRETRIEVABLE COMMITMENT OF RESOURCES

Construction and operation of the proposed Canterbury Woods community will commit a variety of resources including natural, energy, human, and monetary resources. The scope of this project represents a long-term commitment to the site and its operation.

The natural resources of the site will be permanently altered to construct the facility with a loss in habitat to animals that currently reside on the site. In order to accommodate the structures, parking, and internal roads, the site will require some clearing and grading. This will involve the removal of vegetation and soils on portions of the site and the alteration of existing topography. Site development precludes future agricultural activities on this land. Erosion of soils may occur during construction activities, however this condition will be mitigated by installation of erosion control.

The electricity, fuel oil, or gas utilized by this facility will not be significant in comparison with resources of the area. The individuals employed at the facility and the residents will consume small amounts of energy when viewed in a regional context.

Energy and natural resources will be committed for building and paving materials and human resources will be committed to building and operating the facility. Resources used to complete this project will not be available for other uses. Traffic volumes generated from the site are insignificant when compared to the overall traffic volume in the surrounding area.

Finally, construction and operation of this facility in the Town of Amherst represents a long-term commitment to the site and the Town. Completion of this project and its successful operation will require expenditure of funds by the owners that will then be unavailable for other sectors of their operations. At the same time completion of the project will have a beneficial financial impact to the Town of Amherst.

IX. UNAVOIDABLE ADVERSE ENVIRONMENTAL IMPACTS

The analysis of potential environmental impacts indicates that certain adverse effects will be associated with the proposed re-development. Although some impacts may be ameliorated during the project planning stages and to some extent through the implementation of mitigation measures, they cannot be totally eliminated. This section identifies adverse environmental impacts that cannot be avoided if the proposed project is undertaken.

A. LAND USE

The undeveloped site will be altered as a result of the proposed development. Existing vegetation will be preserved where possible and additional landscaping will be planted. This project will be similar in character to much of the surrounding land use and will be in accordance with all MFR-7 zoning requirements.

B. TOPOGRAPHY, GEOLOGY, SOILS

The current topography of the project site will change due to grading operations. The disturbed portions of the site that remain undeveloped will be graded, seeded, and landscaped. Drainage systems will be in place to control site runoff and potential erosion.

C. VISUAL RESOURCES

The visual resources of the site will change as a result of this project. Canterbury Woods will be visible at various locations along perimeter roadways. The use of architectural details, vegetative buffering and screening will minimize these impacts.

RECEIVED

SEP 13 2002

Amherst

Town of Amherst Planning Department

Clough, Harbour & Associates LLP

Buffalo, NY

Erie County, New York



Susan J. Grelick
Supervisor

Eric W. Gillert, AICP
Planning Director

Gary Black, AICP
Deputy Planning Director

**AMENDED CERTIFICATION OF FINDINGS
CANTERBURY WOODS REZONING
705 RENAISSANCE DRIVE (FORMERLY 690 AYER ROAD)
Z-40-95**

Having considered the Draft, Final, Supplemental Draft and Supplemental Final Environmental Impact Statements, and having considered the preceding written facts and conclusions relied upon to meet the requirements of 6 NYCRR 617, this Statement of Findings certifies that:

1. The requirements of 6 NYCRR Part 617 have been met.
2. Consistent with the social, economic and other essential considerations from among the reasonable alternatives thereto, the action approved is one which minimizes or avoids adverse environmental effects to the maximum extent practicable; including the effects disclosed in the Environmental Impact Statement, and
3. Consistent with social, economic and other essential considerations, to the maximum extent practicable, adverse environmental effects revealed in the Environmental Impact Statement process will be minimized or avoided by incorporating as conditions to the decision those mitigative measures which were identified as practicable.

TOWN OF AMHERST TOWN BOARD

Name of Agency

Signature of Responsible Official

SUSAN J. GRELICK

Name of Responsible Official

TOWN SUPERVISOR

SEPTEMBER 3, 2002

Title of Responsible Official

Date

5583 MAIN STREET, WILLIAMSVILLE, NY 14221

Address of Agency

FINDINGS TO APPROVE CANTERBURY WOODS REZONING

WHEREAS, following the May 2, 1996, submittal of a Draft Environmental Impact Statement (DEIS) prepared by Clough, Harbour & Associates on behalf of the Episcopal Church Home and Affiliates Life Care Community, Inc., the DEIS was accepted by the Town Board on May 6, 1996. The DEIS was submitted for the proposed rezoning and development of 62± acres of land located on the south side of Klein Road between Youngs and Ayer Roads. On May 16, 1996, the Planning Board held a public hearing on the DEIS; the Planning Board recommended approval of the request on June 20, 1996. Subsequently, public hearings on the DEIS and rezoning request were held by the Town Board on August 5, 1996 and August 19, 1996. A Final Environmental Impact Statement (FEIS) was accepted by the Town Board on November 4, 1996, and a Notice of Completion of the FEIS was filed on November 20, 1996. The Town Board on February 3, 1997 issued a Corrected and Restated Certification of Findings Statement for this development.

WHEREAS, following the April 12, 2002 submittal of a Supplemental Draft Environmental Impact Statement (SDEIS) prepared by Clough Harbour and Associates on behalf of the Episcopal Church Home and Affiliates Life Care Community, Inc., the SDEIS was accepted by the Town Board on April 15, 2002. The SDEIS was submitted for proposed changes to the development plan for Phase II of this development which primarily pertains to required building setbacks and distribution of type of units.

On May 16, 2002, the Planning Board held a public hearing on the SDEIS; and recommended approval of the request on the same date. Subsequently, the Town Board on July 1, 2002 held a public hearing on the subject changes. As no substantive comments were received during the public hearings or comment period, the Town Board on August 5, 2002 deemed that the SDEIS be considered the Supplemental Final Environmental Impact Statement (SFEIS) and a notice of completion was filed on August 21, 2002.

WHEREAS; the Planning and Town Boards have considered the content of the DEIS, FEIS, SDEIS and the SFEIS, and all other documents and comments and submissions made during and after the hearings.

NOW THEREFORE THE TOWN BOARD FINDS AND DETERMINES THAT:

1. These Findings set forth specific conditions and criteria consistent with 6 NYCRR Sections 617.9, 617.11, and 617.15 under which the site plan process can proceed. This process provides procedures to supplement the FEIS & SFEIS if necessary and for public notice and opportunity to participate in hearings before the Town Planning Board before it approves a site plan. An Environmental Assessment Form and an Erosion & Sedimentation Control Plan will be required with site plan application for environmental review. If the proposed development does not

conform with these Findings, a supplemental Findings Statement, a supplement to the FEIS, or a Negative Declaration shall be prepared to comply with 6 NYCRR Section 617.15.

2. The proposed residential development as presented in the FEIS is consistent with the intent, objective and specific requirements of the Zoning Ordinance.
3. Adequate services and utilities must be available prior to occupancy. Review and approval of services and utilities by the Town agencies will be required for site plan approval.
4. Development will be consistent with all other applicable laws, rules and regulations.

m- designates specific mitigation

5. **GEOLOGY, TOPOGRAPHY AND SOILS** (DEIS & SDEIS Sec. IV B.)

- m – Soil erosion will be minimized during the construction period adherence to the Urban Soil Erosion and Sediment Control Committee's NYS Guidelines for Urban Erosion and Sediment Control. The maximum mitigation measures shall be used to prevent any silt loading into Town ditch #4. Measures to be taken include the following:
 - m – During construction, as building and road sub-grade are formed by fill, work will proceed as quickly as possible and any slopes will be seeded with quick-germinating rye (10-15 lb. Per 1,000 square feet). During this time, any gullies or washes that should develop are to be filled and the surface regraded to prevent washes in the same location.
 - m – Temporary drainage swales will be provided with a minimum grade of 1 percent to direct run-off away from the construction site. Swales will be provided with staked and secured hay bale berms combined with a silt fence to prevent downstream siltation. Location of hay bales and discharge areas will be approved by the Town Engineer.
 - m – Subsurface drainage will be provided when deemed necessary by the project engineer to intercept seepage that would otherwise adversely affect slope stability or create excessively wet site conditions.
 - m – Site development will be staged to limit disturbed areas.
 - m – All erosion control measures as deemed necessary by the Town Engineer will be implemented.

m – All regrading will include the measures above, where applicable.

m – Mitigation for floor wetness and frost action shall be completed as discussed in the DEIS, Sec. IV B. (p. 22).

6. **HYDROLOGY AND DRAINAGE** (DEIS & SDEIS Sec. IV. C.)

m – Implementation of New York State Soil Erosion & Sediment Control measures shall insure that water quality in Town Ditch #4 and #26B will not be negatively impacted. The Engineering Department shall require submittal of a 'typical lot' erosion control plan with the road site plan application and a specific erosion control plan with any subsequent site plan request.

m – During construction, all construction equipment should be properly maintained to prevent contamination due to spills. During operation, the perched water table will be controlled by drainage. Road salting should be used only as necessary and pesticide applications, if required, applied professionally.

m – Mitigation for potential pollutants and sediments shall include a properly designed, constructed and maintained storm water system. Catch basins and other storm structures will provide areas for trapping and removal of sediments and pollutants, especially grease and oils. Swales and detention basins will also allow sediments and pollutants to settle out of surface water. Plant materials shall be used in these areas to further act as a water emission cleanser.

m – Town policy requires that all developments provide facilities adequate to assure disposition of surface water without adverse effect on other property. The Town of Amherst Engineering and Building Departments shall review, approve and monitor proposed drainage plans and the impacts of proposed developments on the entire watershed. The developer will retain a professional engineer to calculate the size locations of all storm water detention areas. All designs and engineering calculations must then be approved by the appropriate town, state or federal agencies having jurisdiction over this project. A network of catch basins and storm lines will discharge into the existing swale. Portions of the swale will be relocated to accommodate the construction of the site improvements. A SPDES Permit for Construction Activities will be obtained prior to construction activities. The town's storm water detention policy shall apply to development proposals for this site.

m – The Engineering Department and the Fire Chiefs' Council shall review site specific development plans to determine the adequacy of the water supply and the location of fire hydrants for fire protection purposes. A plan for ownership and maintenance of all drainage facilities will be required for site

plan review. Any discharge of storm water into Ransom or Gott Creeks shall require a permit from the NYSDEC.

m – The petitioner shall design, construct and maintain ponded areas in a manner that discourages or eliminates mosquito propagation. The Highway Department's mosquito control operation (DEIS has been approved by the NYSDEC) shall have permission to monitor for mosquito larvae and shall treat the water with larvicide if the situation warrants it.

m – The Highway Department requires that proper pond maintenance, such as mowing and eliminating standing water, be performed. Pond maintenance shall be the sole responsibility of the property owner.

7. **VEGETATION & WILDLIFE** (DEIS & SDEIS Sec. IV D.)

m – Wherever possible the project will retain or relocate existing trees. A buffer strip of 240± ft. will be provided along the north side and 180± ft. along the west side of the site, for Phase I & IA of this development and for Phase II of this development 140± ft. will be provided along the north side and one of 80± ft. will be placed on the east side of this development. (Amended 9/3/02)

m – A berm 4-6 ft. in height with landscaping, constructed according to the recommendations of the Planning Department, will be put in place along Klein Road prior to any construction on the site.

m – Deciduous trees greater than three inches in caliper and evergreen trees greater than six feet in height will be used for landscaping.

m – Renaissance Drive shall be located to maintain the existing natural buffer strip along the south property line.

8. **LAND USE & ZONING** (DEIS & SDEIS Sec. V.A.)

The proposal is consistent with Part I, Section 2-1.11 of the Zoning Ordinance which seeks to guide the future development of the Town so as to bring about the gradual conformity of land and building uses in accordance with the objectives of the Comprehensive Plan.

m – Development density on this site shall not exceed the following levels:
Independent living, 295; Enriched housing units, 32; Skilled nursing beds, 75. (Amended 9/3/02)

m – Building height shall not exceed 43 feet for Phase I & IA and 35 feet from finished grade for Phase II of this development. (Amended (9/3/02)

m – Setbacks for principal buildings shall not be less than 219± ft. at Youngs Road, 115± ft. at the north right-of-way line of Renaissance Drive to the nearest principal building and 320± ft. at Klein Road for Phase I & IA of this development, and for Phase II of the development, 100± ft. at Ayer Road, and 160± ft. at Klein Road, and 170± ft. from the south property line to the nearest principal building. (Amended 9/3/02)

9. **FISCAL ANALYSIS** (Sec. V. B. DEIS)

m – The fiscal impact of the project is discussed in Sec. V. B. of the DEIS. That analysis shows that the proposed project will have a beneficial economic impact on the Town.

m – A payment-in-lieu-of-taxes (PILOT) will be negotiated between the Town and the developer.

10. **COMMUNITY SERVICES** (Sec. V. C. DEIS)

m – The Engineering Department and the Fire Chiefs' Council shall review site specific development plans to determine the adequacy of the water supply and the location of fire hydrants for fire protection purposes. A plan for ownership and maintenance of all drainage facilities will be required for site plan review.

m – Water and sewer services will be designed and constructed in accordance with the Erie County Water Authority, Erie County Health Department, NYSDEC, the Town of Amherst and any other agencies having jurisdiction over the project.

m – Building security systems and exterior lighting will be used.

m – The internal site roadways will be constructed and maintained by the project developers.

m – Smoke and fire detection systems and sprinkler systems will be installed. Coordination of site design with Town fire District to provide proper access to all buildings will be required.

m – Private refuse collection will be utilized.

11. **AESTHETICS** (DEIS Sec. V. D. & SDEIS Sec. V. B.)

m – Quality architecture, a design theme and well-maintained grounds as outlined in the DEIS will be required.

12. **TRAFFIC** (DEIS Sec. V. E.)

- m – The extension of Renaissance Drive from Ayer Road to Youngs Road shall be provided and paid for by the developer. Sidewalks will be required.
- m – Renaissance Drive will align to the west with the unimproved R.O.W. from Bassett Road and to the east with the newly constructed Renaissance Drive between Transit and Ayer Road.
- m – Left turn vehicular storage shall be provided on Renaissance Drive at connection points with both Ayer and Youngs Road.
- m – Vehicular access to Klein Road is prohibited.
- m – The developer shall provide a ten (10) foot wide strip of land at no cost to the Town along the east property line (Ayer Road), and the north property line (Klein Road) to facilitate a future roadway widening improvement.
- m – Supplemental analysis of traffic impacts and mitigation may be required.
- m – Specific requirements for the roadway and intersection design and a determination of the requirements for traffic control devices at proposed intersections with Ayer and Young Roads will be made during site plan review.
- m – The intersection of Maple Road with Youngs Road has been studied in the Town Traffic Study. Implementation of recommended improvements will occur as the Town is able to program and fund them (letter by Town Highway Superintendent dated 7-1-96).
- m – The signal optimization required at the intersection of Maple Road with Ayer Road can be included as an implementation measure of the Town Traffic Study.
- m – The Town Police Department will monitor traffic accident incidence along Klein Road to identify any trends or specific problems.

13. **ARCHAEOLOGY** (DEIS Sec. V. F. & SDEIS Sec. V. C.)

It has been determined by the NYS Office of Parks, Recreation and Historic Preservation that the project will have not impact on cultural resources eligible for inclusion in the State & National Registers of Historic Places.

**A COPY OF THIS AMENDED CERTIFICATION OF FINDINGS
FOR "CANTERBURY WOODS" REZONING, 705 RENAISSANCE DRIVE
(FORMERLY 690 AYER ROAD)
WAS SENT TO:**

Erin M. Crotty
NYSDEC, Commissioner
50 Wolf Road
Albany, New York 12233-0001

Steven J. Doleski
NYSDEC Region 9
270 Michigan Avenue
Buffalo, New York 14203-2999

US Army Corps of Engineers
Buffalo District
Regulatory Branch
1776 Niagara Street
Buffalo, NY 14207

Michael J. Krasner
ECDEP
95 Franklin Street
Buffalo, New York 14202

Charles Sickler
ECDPW- Div. Of Highways
95 Franklin Street
Buffalo, New York 14202

John Kociela
Erie County Dept. of Health
95 Franklin Street
Buffalo, NY 14202

Town of Amherst
Town Board
5583 Main Street
Williamsville, New York 14221

Town of Amherst
Planning Board
5583 Main Street
Williamsville, New York 14221

Susan K. Jaros, Amherst Town Clerk
5583 Main Street
Williamsville, New York 14221

E. Thomas Jones, Town Attorney
5583 Main Street
Williamsville, New York 14221

Paul M. Bowers, Town Engineer
1100 North Forest Road
Williamsville, New York 14221

Tom Wik, Highway Superintendent
1042 North Forest Road
Williamsville, NY 14221

Thomas C. Ketchum, Building Commissioner
5583 Main Street
Williamsville, New York 14221

Paul Justin, Traffic/Safety Coordinator
1042 North Forest Road
Williamsville, New York 14221

Eric W. Gillert, Planning Director
5583 Main Street
Williamsville, New York 14221

Peter Mattocks, Chairman
Amherst Conservation Advisory Council
5583 Main Street
Williamsville, New York 14221

Business Environment Publications, Inc.
6 Seville Drive
Clifton Park, New York 12065 (Notice only)

Lynne Nothum, Branch Manager
Audubon Library
350 John James Audubon Parkway
Amherst, NY 14228

Jane Kibby, Branch Manager
Clearfield Branch Library
770 Hopkins Road
Williamsville, NY 14221

Judi Lopez del Moral, Branch Manager
Eggertsville - Snyder Branch Library
4622 Main Street
Amherst, NY 14226

Mary O'Donnell, Branch Manager
Williamsville Branch Library
5571 Main Street
Williamsville, NY 14221

Episcopal Church Home & Affiliates Life Care
Community, Inc.
24 Rhode Island Street
Buffalo, NY 14213

Renaldo & Myers, PC
Suite 200
350 Essjay Road
Williamsville, NY 14221

Clough, Harbour & Associates LLP
295 Main Street - Suite 900
Buffalo, NY 14203

TOWN OF AMHERST
PLANNING BOARD
SITE PLAN RESOLUTION
SP-2-97C

PETITIONER

Episcopal Church Home & Affiliates Life Care, Inc.
24 Rhode Island Street
Buffalo, NY 14213

PROPERTY LOCATION

705 Renaissance Drive

RCVD 09/27/02 16:29

WHEREAS the Town of Amherst Planning Board on Thursday, September 19, 2002 held a public hearing on a Site Plan for a proposed Canterbury Woods Phase II development , and

WHEREAS the Planning Board reviewed the plans and specifications for the proposed project, and

WHEREAS the Site Plan was referred to the Town's various review agencies, and

WHEREAS the Planning Board finds that:

1. The proposed site plan is consistent with the intent, objectives, and specific requirements of the Zoning Ordinance, and
2. Adequate services and utilities are or will be available prior to occupancy, and
3. Pursuant to Local Law #3-82, as amended, the Planning Board has determined that the requirements of SEQR are complete and that the subject proposal is not expected to have a significant adverse effect on the environment.
4. Under Section 404 of the Clean Water Act, the US Army Corps of Engineers has determined that it has no jurisdiction.
5. The site plan is consistent with all other applicable laws.

NOW THEREFORE BE IT RESOLVED that the Planning Board has adopted the Amended Certification of Findings Statement for Canterbury Woods, 705 Renaissance Drive (690 Ayer Road) (Z-40-95) adopted by the Town Board on September 3, 2002 and adopted by the Planning Board on September 19, 2002 (SP-2-97C), and

NOW THEREFORE BE IT FURTHER RESOLVED that the Planning Board, in accordance with Part IX, Section 2-3 **approves** said Site Plan subject to the following conditions:

1. That the consideration of signs be specifically excluded from this approval since no sign details were presented.

TOWN OF AMHERST
SITE PLAN RESOLUTION
SP-2-97C

<u>PETITIONER</u>	<u>PROPERTY LOCATION</u>
Episcopal Church Home & Affiliates Life Care, Inc.	705 Renaissance Drive RCUD 09/27/02 16:29
2.	That any lights used to illuminate the property be equipped with adjustable hoods to control light spread and direction so as not to create any nuisance to nearby properties, and that lights not exceed 25 feet in total height from finished grade.
3.	That all dumpsters/trash containers and all mechanical equipment, utility structures, multiple meter boards, generators, and similar appurtenances, including those which are mounted on any part of a primary structure shall be appropriately screened with a fence, wall, and/or landscaping. Provide gate on dumpster enclosure that shall be closed whenever dumpster is not being serviced, enclosure shall be high enough to screen the dumpster(s) within.
4.	That as-built record drawings, including location of utilities, be provided to the Engineering Department prior to issuance of a Certificate of Occupancy by the Building Department.
5.	That the petitioner comply with all requirements of the Amended Certification of Findings for this project dated September 3, 2002.
6.	That the concerns of the Building Department memorandum dated September 19, 2002 are addressed to the satisfaction of that department.
7.	That the concerns of the Planning Department memorandum dated September 6, 2002 are addressed to the satisfaction of that department.
8.	That the requirements of the Plumbing Division memorandum dated September 4, 2002 are addressed to the satisfaction of that agency.
9.	That the petitioner obtain the required permits and contact the relevant agencies as outlined in the NYSDEC letter of August 21, 2002.
10.	That the concerns and/or requirements in the Fire Chiefs' Association memorandum dated August 15, 2002 are addressed to the satisfaction of that agency.
11.	That the petitioner obtain the required highway work permits for any work within Town R.O.W.'s from the Highway Department.
12.	That the requirements of the Assessor's Office memorandum dated August 1, 2002 be addressed to the satisfaction of that office.
13.	That the requirements of the Engineering Department memorandum dated July 31, 2002 are addressed to the satisfaction of that department.

TOWN OF AMHERST
SITE PLAN RESOLUTION
SP-2-97C

PETITIONER

Episcopal Church Home & Affiliates Life Care, Inc.

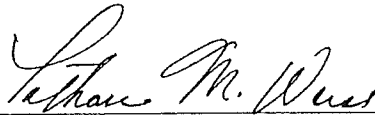
PROPERTY LOCATION

705 Renaissance Drive

RCVD 09/27/02 16:29

The foregoing resolution was adopted by the

Town of Amherst Planning Board, September 19, 2002


Catharine M. Weiss, Chair

9/27/02
Date

SM/jb


E/Jean/SitePlanforms/SPbls/SPbl 2-97C

cc: Town Clerk
Commissioner of Building
Town Engineer
Fire Chiefs
Traffic/Safety
Highway Superintendent
Episcopal Church Home & Affiliates Life Care, Inc.
Clough Harbour & Associates
Renaldo & Myers, P.C.
NYSDEC

Approved Plan: May 2002
Received: 7/22/02
Dwg. #'s SP-1,2; 4P-1-2; LP-1,2;
GP-1,2; L-1,2; DS-1-3

Extension of site plan approval for one (1) year retroactive to September 19, 2004.

Town of Amherst Planning Board, September 23, 2004


Catharine M. Weiss, Chair

RCVD 09/30/04 16:37
9/30/04
Date

Amherst

RECEIVED



Town of Amherst Planning Department

OCT 04 2004

Erie County, New York

Susan J. Grelick
Supervisor

Eric W. Gillert, AICP
Planning Director

Gary Black, AICP
Assistant Planning Director

Clough, Harbour & Associates LLP
Buffalo, NY

October 1, 2004

Episcopal Church Home & Affiliates Life Care, Inc.
24 Rhode Island Street
Buffalo, NY 14213

SUBJECT: REVIEW OF A REQUEST TO EXTEND SITE PLAN APPROVAL FOR
CANTERBURY WOODS, PHASE II, SP-2-97C; PROPERTY LOCATED
AT 705 RENAISSANCE DRIVE

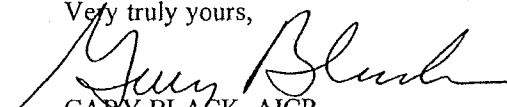
Dear Sir or Madam:

At its meeting of September 23, 2004 the Planning Board voted to grant a one (1) year extension to its site plan approval for the subject development retroactive to September 19, 2004 based upon the attached original resolution. **Site work cannot begin until all of the following steps have been completed:**

1. All conditions stated in the Resolution of Approval are satisfactorily addressed.
2. A building permit is issued by the Building Department.

Should you have any questions regarding the Planning Board's decision, please do not hesitate to call us.

Very truly yours,


GARY BLACK, AICP
Assistant Planning Director

GB/SM/d
E/Dianne/docs:petletsp
Att.

✓cc: Clough Harbour & Associates



CLOUGH HARBOUR & ASSOCIATES LLP

May 16, 2005

Mr. Christopher J. Hurley
Hurwitz & Fine, P.C.
1300 Liberty Building
Buffalo, New York 14202

**RE: Phase I Environmental Site Assessment of Canterbury Woods, 705 Renaissance Drive,
Town of Amherst, New York;
CHA Project No. 11178.1004.1102**

Dear Mr. Hurley:

The Erie County Industrial Development Agency (ECIDA) is entitled to rely upon this report only to the same extent as KeyBank Real Estate Capital – Healthcare Group including specifically the limitation of liability provision set forth in our agreement with them. Note, however, that the scope of service associated with this report was developed specifically for the Client in light of the Client's risk management and preferences. This report is based upon the services we provided in conducting a Phase I Environmental Site Assessment of the building and property located at 705 Renaissance Drive in the Town of Amherst, New York.

For your information, a copy of the scope of service is included in the report. If a service is not expressly indicated, do not assume it has been provided. Please contact Clough, Harbour & Associates, LLP (CHA) and we will be pleased to provide the information you need.

Please note that no environmental site assessment can wholly eliminate uncertainty regarding the potential for recognized environmental conditions associated with a property. Note, also, that the assessment report in all cases is subject to certain limitations that are noted in the report itself. In addition, recognize that the passage of time affects the information provided in the report. Our opinions relating to site conditions are based upon information that existed at the time our conclusions were formulated (May 2005). As we are sure you can appreciate, site conditions can change rapidly; in some cases, overnight.

Please understand that the services provided for this project were limited to the specified requirements of our Client, the scope of service allows our firm to form no more than an opinion of the actual conditions of the site based on the information derived from the Phase I ESA research. It must also be understood that the completion of the Scope of Work described in the referenced report does not guarantee all areas of the site will exhibit the characteristics inferred from the results of the Phase I ESA.

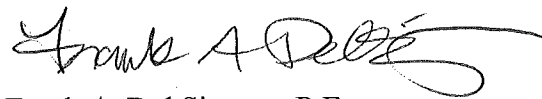
**ECIDA
Reliance Letter
705 Renaissance Drive ESA**

05/16/05

This letter confers upon no third parties other than the ECIDA the right to rely upon the information contained in the reports or this letter. No other party is entitled to rely on the reports unless our express written consent is first obtained. If you have any questions or concerns regarding the information contained in the report or this letter, please do not hesitate to contact the undersigned.

Very truly yours,

**CLOUGH, HARBOUR & ASSOCIATES LLP
ENGINEERS, SURVEYORS, PLANNERS &
LANDSCAPE ARCHITECTS**



Frank A. Del Signore, P.E.
Partner

FAD:prs
File reference



Phase I Environmental Site Assessment Update

Lexington Village at Canterbury Woods

705 Renaissance Drive
Williamsville, New York

CHA Project Number: 11178.1009.1102

Prepared for:

*KeyBank National Association, its successors and/or assigns
127 Public Square, 8th Floor
Cleveland, OH 44114
Attn: Florentina Djulvezan
Vice President - Closer*

Prepared by:

CHA

CLOUGH HARBOUR & ASSOCIATES LLP

*295 Main Street
Suite 900
Buffalo, New York 14203
(716) 847-6310*

May 2, 2005

TABLE OF CONTENTS

1.0	Introduction.....	1
2.0	Scope of work	2
2.1	Historical Review.....	2
2.2	Regulatory Records Search.....	2
2.3	Interviews.....	3
2.4	Site Inspection.....	3
2.5	Additional Services.....	3
3.0	Site Description.....	5
3.1	General.....	5
3.2	Neighboring Properties	5
3.3	Site Topography.....	5
3.4	Site Geology and Hydrology	5
3.4.1	Soils.....	5
3.4.2	Overburden and Bedrock	6
3.4.3	Surface Water and Groundwater.....	6
3.5	Wetland Mapping.....	7
4.0	Historical Review.....	8
4.1	Recorded Land Title Records	8
4.2	Aerial Photographs.....	8
4.3	Fire Insurance Maps.....	8
4.4	Building Department Records.....	8
5.0	State and Federal Records Review	9
5.1	Inactive, Uncontrolled or Abandoned Hazardous Waste Sites.....	9
5.2	Hazardous Waste Treatment, Storage, And Disposal Facilities	9
5.3	Hazardous Waste Generators.....	9
5.4	Petroleum Bulk Storage Tanks	9
5.5	Active Solid Waste Sites.....	9
5.6	Leaking Storage Tanks	10
5.7	Chemical Bulk Storage Tanks	10
5.8	Spills	10
6.0	Local Agency Records Review and Interviews.....	11
6.1	Town of Amherst	11
7.0	Site Reconnaissance and Interviews	12
7.1	Storage Tanks.....	12
7.2	Storage, Handling And Disposal of Hazardous Substances and Petroleum Products ..	12
7.3	Evidence of Improper Waste Disposal, Spills of Discharges	12
7.4	Indications of PCBs	12
7.5	Solid Waste Disposal	13
7.6	Wells and Septic Systems	13
8.0	Findings And Conclusions / Recommendations	14
8.1	Summary of Findings.....	14
8.2	Conclusions / Recommendations.....	15
9.0	Limitations	16

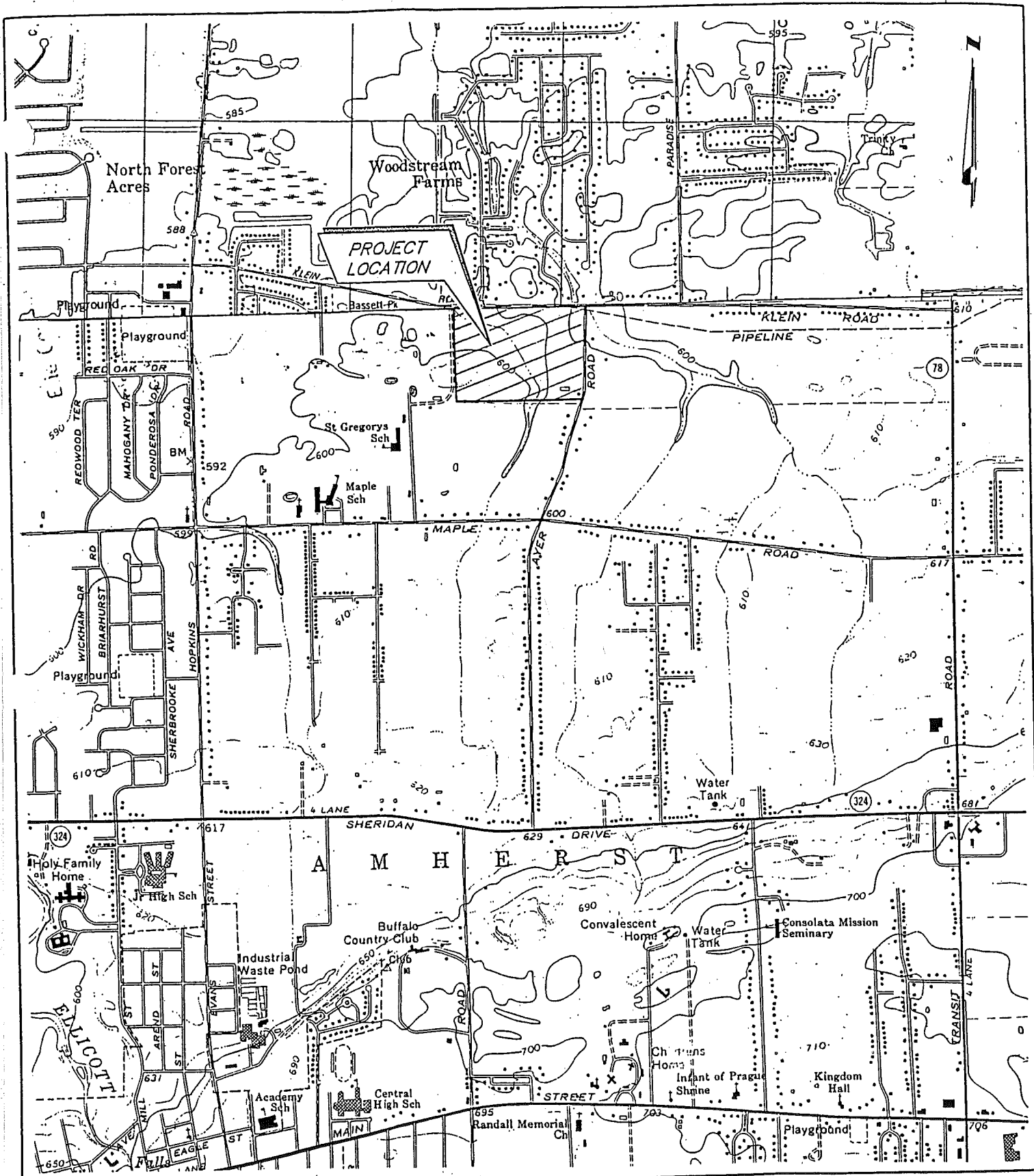
10.0 Credentials 17

1.0 INTRODUCTION

Clough, Harbour & Associates, LLP (CHA) was retained by Retirement Living Services to perform an update to the original Phase I Environmental Site Assessment (ESA) that was performed by CHA in December 1995 relative to the property at 800 Ayer Road in the Town of Amherst, Erie County, New York (figure 1). The subject property is currently the site of the Canterbury Woods retirement living community. The purpose of this Phase I Environmental Site Assessment was to identify recognized environmental conditions, as defined by *American Society for Testing and Materials* (ASTM) Practice E 1527-93 in connection with the subject property.

The term recognized environmental conditions is defined by ASTM as the presence or likely presence of any hazardous substance or petroleum products on a property under conditions that indicate an existing release, past release, or a material threat of a release of any hazardous substances or petroleum products into structures on the property or into the ground, groundwater or surface water of the property. The term is not intended to include de minimis conditions that generally do not present a material risk of harm to public health of the environment, and that generally would not be the subject of an enforcement action if brought to the attention of the regulatory agencies.

This Phase I ESA Update Report has been prepared by CHA to provide a general description of the subject property, any structures occurring thereon, and the site vicinity; discuss the current and historical usage of the property; and identify the presence of absence of recognized environmental conditions in connection with the subject site based upon the results of a historical and regulatory records review, interviews and a thorough site inspection.



SITE LOCATION MAP



CLOUGH, HARBOUR & ASSOCIATES

ENGINEERS, SURVEYORS, PLANNERS
& LANDSCAPE ARCHITECTS

111 WILLIAMS CIRCLE ALBANY, NEW YORK, 12205

PHASE I
ENVIRONMENTAL SITE ASSESSMENT
705 RENAISSANCE DRIVE
AMHERST, NEW YORK

FIGURE NO. 1

SCALE: 1:24,000

2.0 SCOPE OF WORK

The major components to this Phase I ESA include the review of the available regulatory and historical information for the subject property and surrounding properties, interviews with the present property owner/occupant and local government officials, a thorough site inspection of the buildings and grounds, and reconnaissance of the site vicinity. The following subsections present a detailed outline of the scope of work for this Phase I ESA.

2.1 HISTORICAL REVIEW

This component involved the review of standard historical sources to develop a history of the previous uses or occupancies of the property and surrounding area in order to identify those uses or occupancies that are likely to have led to recognized environmental conditions in connection with the subject property. Where reasonably ascertainable considering the required project schedule, the following standard historical sources were consulted to identify uses of the property from 1940 to present:

- Available Aerial Photographs
- Property Tax Files
- Recorded Land Title Records
- USGS 7.5 Minute Topographic Maps
- Local Street Directories
- Building Department Records
- Zoning/Land Use Records

Furthermore, at least one of the above listed historical sources was consulted to investigate past uses of the site prior to 1940 until the time at which the property was not yet developed. The historical usage of properties in the surrounding area was also researched as part of this review.

2.2 REGULATORY RECORD SEARCH

A review of Local, State and Federal record sources relating to the presence or occurrence of facilities or spills involving solid and hazardous waste and petroleum products on the subject property and/or properties occurring within the approximate minimum search distances established by ASTM Practice E-1527 was performed. State and Federal record sources were reported by Environmental Data Resources (EDR), and included the following:

- Federal NPL Report
- Federal CERCLIS List
- Federal No Further Remedial Action Planned Sites
- Federal RCRA TSDF Sites
- Federal RCRA Hazardous Waste Generators List
- Federal ERNS List
- State List of Inactive Hazardous Waste Sites
- State List of Solid Waste Facilities
- State Leaking Tanks List

- State list of Chemical and Petroleum Bulk Storage Tanks
- State List of Major Oil Storage Facilities

2.3 INTERVIEWS

Reasonable attempts were made to conduct interviews with the property owner and occupant, as well as local government officials for the purpose of obtaining information indicating recognized environmental conditions in connection with the subject property.

2.4 SITE INSPECTION

A thorough site inspection of the property was conducted to identify visible environmental concerns such as:

- Current and past use of the property and adjoining parcels
- The physical setting of the site including a general description of structures and improvements on the site
- Evidence of hazardous waste or petroleum product generation, storage, treatment, or disposal
- Storage tanks
- Strong or noxious odors
- Pools of liquid
- Drums
- PCBs
- Drains or sumps
- Pits, ponds or lagoons
- Stained soils or surfaces
- Stressed vegetation
- Solid waste
- Waste water and storm water discharges
- On-site septic systems

2.5 ADDITIONAL SERVICES

No additional services were provided in association with this Phase I ESA Update. This Phase I ESA Update did not include the execution of: pressure testing of any discovered USTs; analytical testing for lead-base paint or potential asbestos containing building materials; penetrative of surface geophysical investigations, or the collection and analysis of groundwater, surface water, or soil samples for the purposes of characterizing physical or chemical conditions existing within the subsurface of the site.

Information obtained during this Phase I ESA Update was, however, supplemented by data collected by a separate Geotechnical Investigation of the site also performed by CHA for Retirement Living Services. The scope of the Geotechnical Investigation included performing subsurface drilling using hollow stem augers and split spoon samplers to obtain in-situ soil samples to a depth of 20 ft below grade. The soil retrieved from the split spoons was then

classified to determine the general soil particle size. During the course of the drilling program, where bedrock was encountered before 20 ft in depth, a total of three rock cores were obtained to determine rock lithology and competency. Also, three temporary piezometers were installed across the site to determine static groundwater depths.

3.0 SITE DESCRIPTION

3.1 GENERAL

The subject property is located at 705 Renaissance Drive in the Town of Amherst, Erie County, New York. The parcel consists of one tax parcel with an area of approximately 60.5± acres (see Figure 2). The property is bisected by a Town owned drainage ditch. The subject of this ESA is the approximately 16± acres of the 60.5± total acres of wooded and undeveloped land, located on the eastern side of the ditch. The western 43.69 acres of previously developed land consists of a retirement living complex with associated parking and outdoor recreation areas. The parcel is in an area zoned MFR-7, Multi-Family Residential.

The site is generally wooded with conifers and scrub vegetation that covers the majority of the parcel. The parcel was the site of a recently razed, 2.5 story, residential brick structure that was constructed in the mid to late 1800's.

3.2 NEIGHBORING PROPERTIES

Land use in the vicinity includes primarily residential development with some commercial development to the south and municipal park land to the west. The parcel is bounded to the north by Klien Road; to the east by Ayer Road; to the south by Renaissance Drive; and to the west by Youngs Road. The residential developments consist of single family homes to the north, east and south and apartment complexes to the southwest.

3.3 SITE TOPOGRAPHY

The topography of the site is generally flat with the exception of berms placed at the north and south ends of the eastern sub parcel to temporarily stage spoil from the Phase I construction. The site is bisected by a drainage swale that traverses the site in a southeast to northwest direction. Phase I development included the construction of a wet pond to detain storm runoff.

3.4 SITE GEOLOGY AND HYDROLOGY

3.4.1 Soils

Based upon a review of the Soil Survey of Erie County, New York, site soils consist of three different soil types:

- *Churchville silt loam*, 0-3 %. This nearly level soil is deep and somewhat poorly drained. This Churchville soil has a perched seasonal high water table in the upper part of the subsoil from December through May and is susceptible to ponding in some areas.
- *Claverack loamy fine sand*, 0-3 % slopes. This nearly level soil is deep and well drained but has a seasonal perched water table from November through May in the lower reaches of the soil where the soil is clayey to a depth of approximately 5 feet.
- *Odessa silt loam* - This nearly level soil is deep and somewhat poorly drained due to its high clay content. These soils experience a seasonally high perched water table from December through May. These soils have limited urban uses due to their seasonally high

perched water table, low soil strength, poor soil compaction, clayey textures, and slow to very slow permeability.

The Claverack soils are classified as a New York State Group 3b Agricultural Soil. The Churchville and Odessa soils are listed as an Erie County soil with a likelihood for having hydric inclusions.

3.4.2 Overburden and Bedrock

The *Surficial Geologic Map of New York – Niagara Sheet* (1988) was consulted to identify the type of surficial deposits present on the site. The overburden soils consist of lacustrine silts and clays and glacial till deposits. The site is situated in the Erie-Ontario Lowlands physiographic province and is underlain by bedrock consisting of Upper Silurian shale, dolostone, salt and gypsum belonging to the Camillus, Syracuse, and Vernon Formations according to the *Geologic Map of New York – Niagara Sheet* (1970).

Data obtained during a separate geotechnical investigation of the eastern, 16 acres of the parcel property indicated that the surficial soils observed during the drilling generally include limited topsoil atop glaciolacustrine deposits composed of laminated silts and clays, silty-sand and silty-clay deposits. These glaciolacustrine deposits are present from 0.5 ft to approximately 6 feet below grade. Glacial till deposits consisting of brown to gray silty clay till are found at depths of 6 ft to 14 feet below grade. The surficial deposits were not found to be uniform or level across the site.

Bedrock was encountered in the three borings at depths ranging from 16 to 18 feet below grade and generally consisted of fractured gray, limestone that was classified as having very poor to fair rock quality or *RQD*. The *RQD* represent how “intact” the rock is. The designation of *very poor* represents samples having less than 25% of their sample intact, while a *fair* designation ranges from 50 to 75% intact.

3.4.3 Surface Water and Groundwater

Storm water runoff occurring on the western side of the parcel flows via closed drainage system to the swale bisecting the site. The Stormwater originating on the eastern portion of the project site flows to either the Town swale or to a Town maintained ditch along Ayer Road to the east. A review of the FEMA, Flood Insurance Rate Map (3602260010E) dated October 1992 indicated that the project is located in an area outside the 500 year floodplain.

Regional groundwater flow direction was inferred from USGS 7.5 minute topographic mapping and determined to be generally in the northwest direction toward Ellicott Creek. During the geotechnical investigation, three temporary piezometers were installed to measure the static groundwater level. Seasonal groundwater elevations varied from 4 ft below grade to being absent in other bore holes. The variation in groundwater elevations is an attribute of the aquitard properties of the surficial deposits.

3.5 WETLAND MAPPING

A review of the Erie County GIS 2005 mapping revealed no State or Federal jurisdictional wetlands on or immediately contiguous to the site.

4.0 HISTORICAL REVIEW

4.1 RECORDED LAND TITLE RECORDS

A review of recorded land title and deed records for the subject property was conducted at the Erie County Department of Real Property Taxation and Mapping and the Erie County Clerk's Office to establish current and past uses of the property that would indicate a threat to the environmental integrity of subject property. The title history of the parcel is listed below. The property has had no industrial or manufacturing use since at least 1938.

Table 1
Chain of Title

Grantee	Date of Purchase
Erie County Industrial Development Agency	February 1998
Episcopal Church Home & Affiliates Life Care Community, Inc.	September 1997
Frank Jurek	October 1958
Teofil Cymerman	At least 1938

4.2 AERIAL PHOTOGRAPHS

Available aerial photographs from 1927, 1951, 1960, 1966, and 1972 were reviewed at the Erie County Department of Environment and Planning to provide historical information as to the land use of the subject and surrounding properties as well as any structures that were present. According to the 1927 photograph, the subject property was used for agricultural purposes. Land use in all subsequent years was similar to that of the 1927 aerial with a change from cropland to tree farm in the 1972 photo. Later photos were not readily available. There is no indication in the review of any dumping or other waste disposal having taken place at the property.

4.3 FIRE INSURANCE MAPS

EDR had no records of Sanborn or other fire insurance map coverage of the area.

4.4 BUILDING DEPARTMENT RECORDS

Town of Amherst Building Department records were reviewed for any permits taken out for the site for information relating to the history of the property. A number of permits have been issued since 1997 relating to the construction of Canterbury Woods Phase I and of the demolition of the brick dwelling located at the southeast corner of the property. The records did not indicate the presence of any underground storage tanks on the parcel.

5.0 STATE AND FEDERAL RECORDS REVIEW

Standard State and Federal databases were searched for information that would indicate the potential or presence of an environmental condition on the property or substantially contiguous parcels in accordance with ASTM Practice E-1527 via Environmental Data Resources, Inc. (EDR). The following sections discuss the results of the record search. The EDR report is presented in Appendix A.

5.1 INACTIVE, UNCONTROLLED OR ABANDONED HAZARDOUS WASTE SITES

The 705 Renaissance Drive property and properties within a 1.0 mile radius of the site do not appear on the New York Inactive Hazardous Waste Disposal Sites List (July 2004) or the USEPA National Priorities List (NPL) of hazardous waste sites dated December 2004. Additionally, the subject property and sites within a 0.5 mile radius are not listed on the USEPA Comprehensive Environmental Response, Compensation Liability Information System (CERCLIS) database (February 2005). Furthermore, a review of the No Further Remedial Action Planned (NFRAP) database (March 2005) relative to sites that have been removed from the CERCLIS database, indicated that no such sites exist on the subject property or within the ASTM prescribes radius.

5.2 HAZARDOUS WASTE, TREATMENT, STORAGE, AND DISPOSAL FACILITIES

A review of the RCRA Treatment, Storage, and Disposal (TSDF) report (March 2005) indicated no facilities exist on or within 0.5 mile of the subject site.

5.3 HAZARDOUS WASTE GENERATORS

The 705 Renaissance Drive subject property does not appear on the USEPA Resource Conservation and Recovery Information System (RCRIS) list of hazardous waste generators (March 2005). The database listed no other sites within 0.25 mile of the subject property as being either a large or small quantity generator of hazardous waste.

5.4 PETROLEUM BULK STORAGE TANKS

A review of the New York Petroleum Bulk Storage (PBS) database (January 2002) listed no sites within the ASTM prescribed 0.25 mile search radius of the target property.

5.5 ACTIVE SOLID WASTE SITES

The Solid Waste Facility / Landfill (SWF/LF) Registry (January 2005) was reviewed for the listing of disposal facilities located within 0.50 mile radius. No mapped sites were listed in the database for known addresses. The database has listing of sites with inadequate address information, referred to on an Orphan Summary. CTS Concrete Crushing and Recycling, located at Maple Road and Renaissance Drive is outside the 0.5 mile radius and therefore is not expected to have adversely effected the environment of the subject site.

5.6 LEAKING STORAGE TANKS

The New York Leaking Storage Tank Incident Report (February 2005) was reviewed for listed sites within the ASTM prescribed 0.5 mile radius. Two sites appear on the list of tank failures that are located within the minimum search distance.

- *The Peck Residence*, 16 Chapel Wood West – Located approximately 1500 ft. north-northwest of the subject property, this site is described as a private residence having a 275 gallon fuel oil tank failure effecting the surface soils. Approximately 10 gallons of #2 fuel oil was spilled the ground in May 1996. The spill was cleaned up and the tank was removed, witnessed by the NYS Department of Environmental Conservation. The Spill file was closed by the NYSDEC on January 30, 1997. Due to the minimal quantity and type of material spilled, it is not expected to have impacted the subject site.
- *Wetzel's Service Corporation*, 1810 Maple Road – This active filling station is located approximately 0.5 mile south of the subject site. The leak was detected during the removal of two, 1000 gallon underground storage tanks. The NYSDEC inspected the site and reviewed all remedial work and sampling and disposal information for the tanks, and contaminated soil that was excavated for disposal. The spill was closed out on August 12, 1999. Based on the recorded information, there is no evidence to suggest that this site has had a detrimental effected on the subject site.

5.7 CHEMICAL BULK STORAGE TANKS

The New York Chemical Bulk Storage (CBS) Report (January 2002) was reviewed to identify those sites that store regulated substances within the prescribed 0.25 mile radius of the project site. As of the date of the report, no site exists within the minimum search radii.

5.8 SPILLS

The Spills Information Database (February 2005) was reviewed to determine the occurrence of any spills on or within 0.125 mile of the subject site. The database had no listed sites mapped within the search radius. The database listed one site in its "orphan summary" as being located on Renaissance Drive off Ayer Road. The New York State Department of Environmental Conservation – Spill Response Unit was contacted to determine the location of the spill. The NYSDEC referenced spill number 961110012696 as an approximately 5 gallon spill that was contained and cleaned up. The NYSDEC closed the file on this December 9, 1996. Because of the minimal quantity of material spilled and the immediate response of the spiller, this site is not expected to have negatively effected the environment of the subject site.

6.0 LOCAL AGENCY RECORDS REVIEW AND INTERVIEWS

6.1 TOWN OF AMHERST

Town Offices were visited and Building Department personnel interviewed on April 29, 2005 for information relating to the history of recognized environmental conditions on the subject property.

A review of the records for 705 Renaissance Drive, 800 Ayer Road, and 690 Ayer Road were reviewed to determine whether activities have occurred or if conditions exist that would indicate a threat to the environment of the site.

The Department had permit records for the demolition of the residential structure at the southeastern corner of the subject property, dated 2002.

The Plumbing Department had a permit for the disconnection of services, both sanitary sewer and domestic water, dated November 2004. No other records were available that would indicate a negative impact to the environment.

7.0 SITE RECONNAISSANCE AND INTERVIEWS

On April 29, 2005, CHA conducted an inspection of the facility and grounds located at 705 Renaissance Drive, Amherst, New York. During the inspection, neighboring land uses were noted and photographs were taken (Appendix C). Mr. Paul Campisi, Facilities Manager, was interviewed regarding the history of the complex and provided CHA a tour of the mechanical room and emergency generator pad. The results of the inspection are noted below.

7.1 STORAGE TANKS

The current facility has two, above ground storage tanks integrated with their backup generators. The tanks, with secondary containment, store diesel fuel for use with a 350 kW and 230 kW generators. The tanks appeared to be in good condition and there was no evidence of leakage in the area of the tanks.

The original ESA noted one, 150 gallon AST in the barn that has since been razed. At the time of the original inspection, the area appeared to have not been impacted by the presence of the tank. There was no evidence to suggest that this tank should create cause for concern over the environmental integrity of the subject site.

There was no evidence of any underground storage tanks (USTs) on the subject parcel, nor were any noted as being removed or installed in the original ESA or to be on file with the Town of Amherst Building Department.

7.2 STORAGE, HANDLING AND DISPOSAL OF HAZARDOUS SUBSTANCES AND PETROLEUM PRODUCTS

Aside from the above ground storage tanks associated with the backup generators for Canterbury Woods, there were no indications of the storage, handling or disposal of hazardous substances or petroleum products noted during the site inspection. Of note however, is the liquid petroleum pipeline, operated by Sunoco Pipe Line Company, that is located along the northern boundary of the subject parcel. Sunoco Pipeline was contacted, via telephone on April 29, 2005, for information concerning the history and condition of the 8" diameter pipeline. Mike Harris, Sunoco, stated that no information was readily ascertainable to indicate that any leaks have occurred.

7.3 EVIDENCE OF IMPROPER WASTE DISPOSAL, SPILLS OR DISCHARGES

During the site inspection, CHA observed no evidence of improper waste disposal, spills or discharges in the form of stained soil or surfaces, stressed vegetation, chemical odors, or pools of liquid.

7.4 INDICATIONS OF PCBs

No indications of electrical transformers, associated with switchgear that may contain polychlorinated biphenyls (PCBs) were noted at the time of the site inspection.

7.5 SOLID WASTE DISPOSAL

The developed portion of the property hires out a private solid waste disposal firm that has a compacting dumpster located on the northern side of the facility. The undeveloped, eastern side of the parcel is wooded and free of any improperly disposed solid waste. However, there is some construction debris located within the bermed area along the southeastern corner of the parcel. The materials are in the form of soil, concrete, and brick and are not considered to have impacted the environment.

7.6 WELLS AND SEPTIC SYSTEMS

The site is currently serviced by the Erie County Water Authority for potable water, and is located within Erie County Sewer District #16. The Town of Amherst Building Department has a record of permit for the capping of septic tank as part of the permitted demolition activities associated with the former residence located at 690 Ayer Road in November 2004.

8.0 FINDINGS AND CONCLUSIONS / RECOMMENDATIONS

Based on the findings of the site inspection, regulatory records review, interviews with the current occupants, and the review of municipal records pertaining to the historical usage of the subject property and surrounding parcels, CHA has developed a list of conditions with respect to the environmental integrity of the subject site with respect to recognized environmental conditions.

8.1 SUMMARY OF FINDINGS

- Based on the recorded land title records, interviews and historical research, the subject property is currently the site of a retirement living complex on the western side of the site. The eastern side of the site is proposed for development as an independent living community. The property has also been used for residential, agricultural and tree farming since as early as 1927
- Past uses of neighboring properties include agricultural and are now primarily single and multifamily residential developments.
- The current property is serviced by municipal water and sewer systems. The residential structure formerly located at the southeastern corner of the parcel is recorded as having a septic system and also a drilled well for potable water. The Town records indicate that the septic service was disconnected in November 2004 as part of the demolition activities with that structure. The location of the wells is unknown.
- There are currently two above ground diesel tanks that are integrated into the backup generators located on the north side of the current complex. The tanks are protected with secondary containment and appear to be in good condition. There was no indication of spills or leakage on the ground in the area of the tanks.
- There was no indication of the presence of underground storage tanks on the subject property.
- A review of Federal, State and Local database sources relating to the presence or occurrence of facilities or spill sites involving solid or hazardous waste and petroleum products indicated that no such facilities or site exist on or adjacent to the subject property.
- An 8-inch diameter, liquid petroleum pipeline operated by the Sunoco Pipeline Company, is located along the northern boundary of the subject parcel. There is no regulatory database information that would indicate that problems have occurred that would have impacted the subject site. CHA contacted Sunoco, via phone to determine if there have been any problems with the pipeline. Mike Harris, a Sunoco representative, indicated that the pipeline has been in service since the 1930s and is cathodically protected. He was unaware of any problems associated with the pipeline.

- There was generally no evidence to indicate the occurrence of any improper solid waste disposal on the site with the exception of the building materials observed near the southeastern corner of the parcel. These materials are composed of hard, non leachable materials that are not expected to have impacted the project site.

8.2 CONCLUSIONS / RECOMMENDATIONS

CHA has performed this Phase I Environmental Site Assessment in accordance with the scope and limitations of ASTM Practice E-1527 of 705 Renaissance Drive, Amherst, New York. Any exceptions to, or deletions from, this practice are described in Section 9.0 of this report. This assessment has revealed no evidence of recognized environmental conditions associated with the subject property. As a result, no additional environmental investigations are recommended at this time.

9.0 LIMITATIONS

The conclusions presented in this Phase I Environmental Site Assessment are based on the information gathered in accordance with the Scope of Services defined in Section 2.0 of this report. This information is not intended to assess the condition of the subsurface environment at the site. All conclusions reflect the observable conditions existing at the time of the site inspection. Information provided by the Erie County Clerk's Office, Department of Environment and Planning, Department of Real Property Taxation and Mapping; Town of Amherst Building Department, Assessor's Office; Natural Resource Conservation Service; EDR; NYSDEC; NYSDOH; USDA; NYSDOT; USGS; and the USEPA was used to assess the condition of the site. The accuracy of the conclusions drawn from this assessment is, therefore, dependent upon the accuracy of the information provided.

10.0 CREDENTIALS

This Phase I ESA was performed, and the resultant report was prepared by a qualified CHA scientist and or engineer. In accordance with Section 11.4 of ASTM Practice E-1527-93, the qualifications of those persons involved in conducting this Phase I ESA are presented in Appendix D, along with relevant corporate qualifications of CHA. The signature(s) of the environmental professional responsible for this Phase I ESA appears below.



Paul R. Smeader
Environmental Scientist II

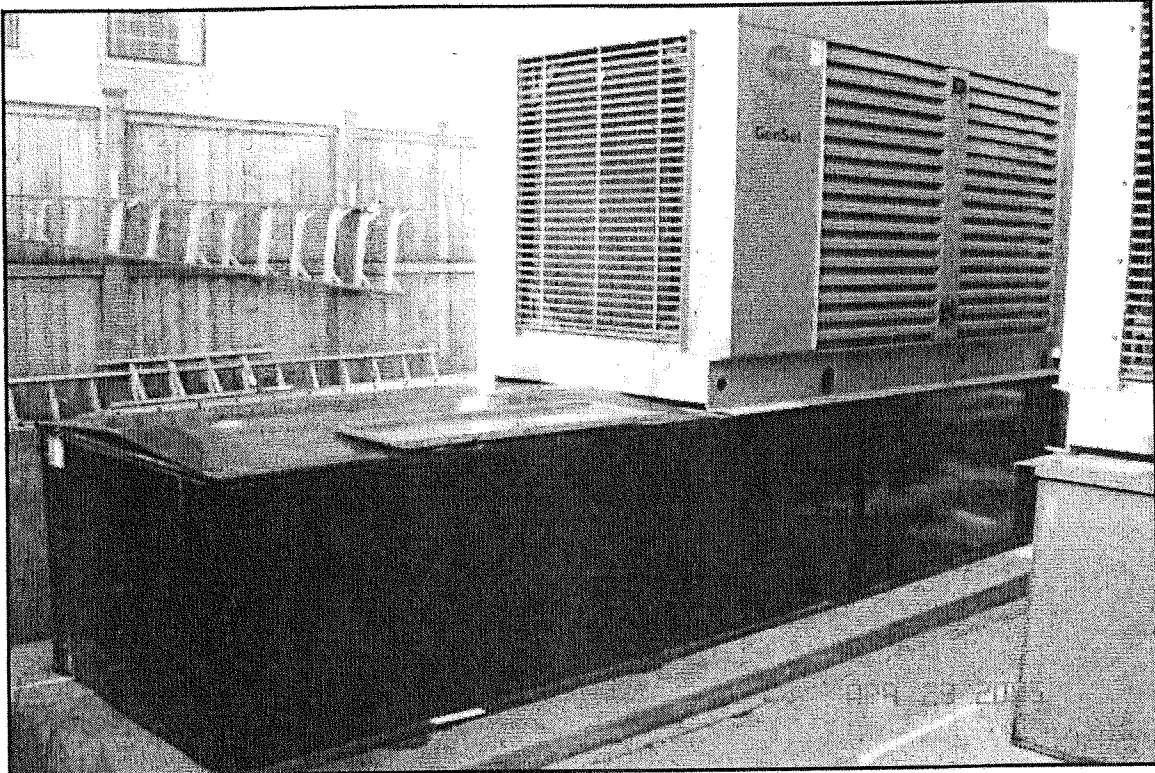


Photo 1: 350 kW back up generator with integrated diesel fuel tank.

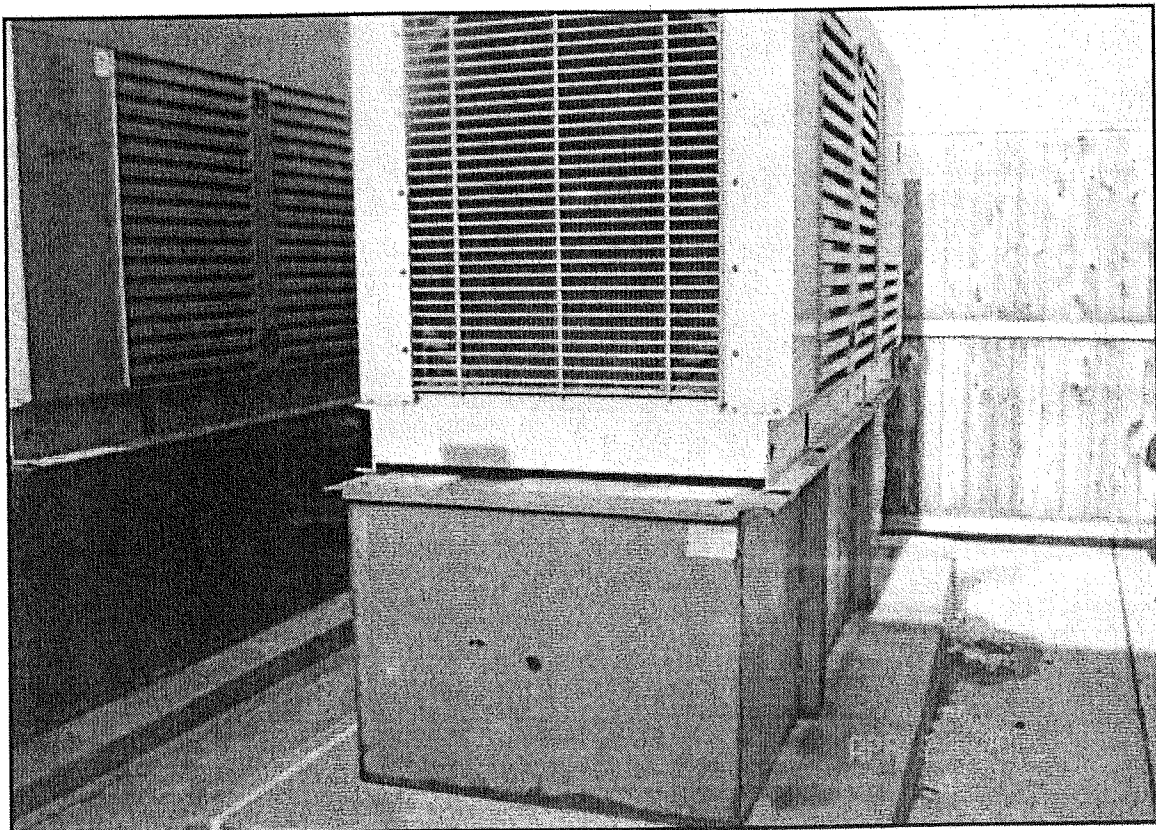


Photo 2: 230 kW back up generator with integrated diesel fuel tank.

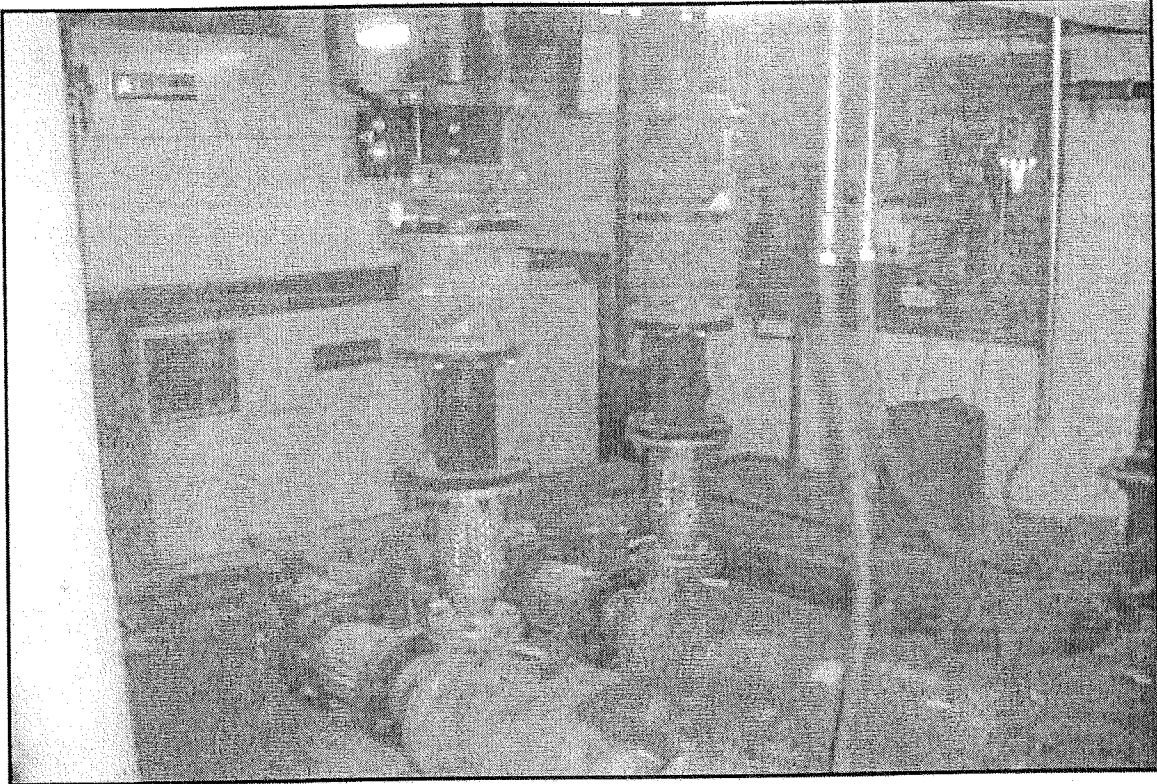


Photo 3: Central boiler for hydronic heat system in mechanical room.

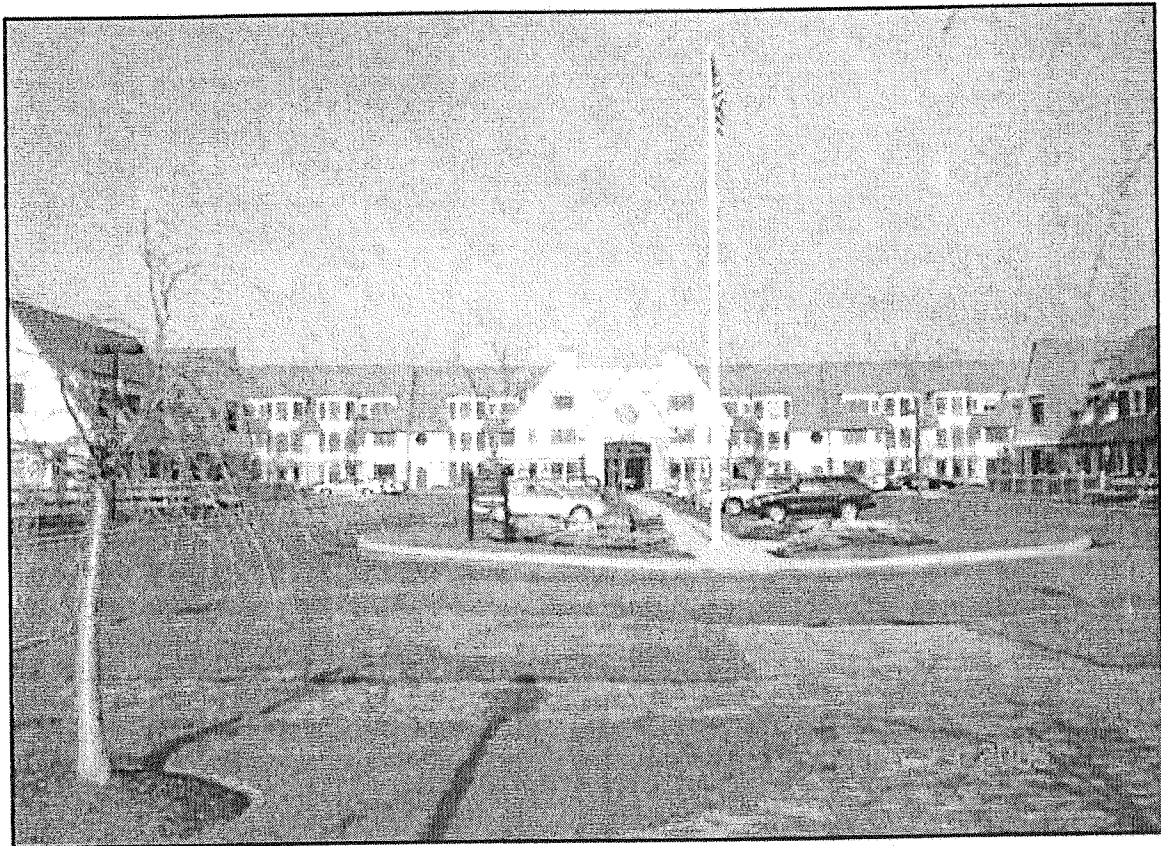


Photo 4: Main entrance to 705 Renaissance Drive, Canterbury Woods.



Photo 5: View of proposed Phase II across Town swale/wet pond that bisects parcel.

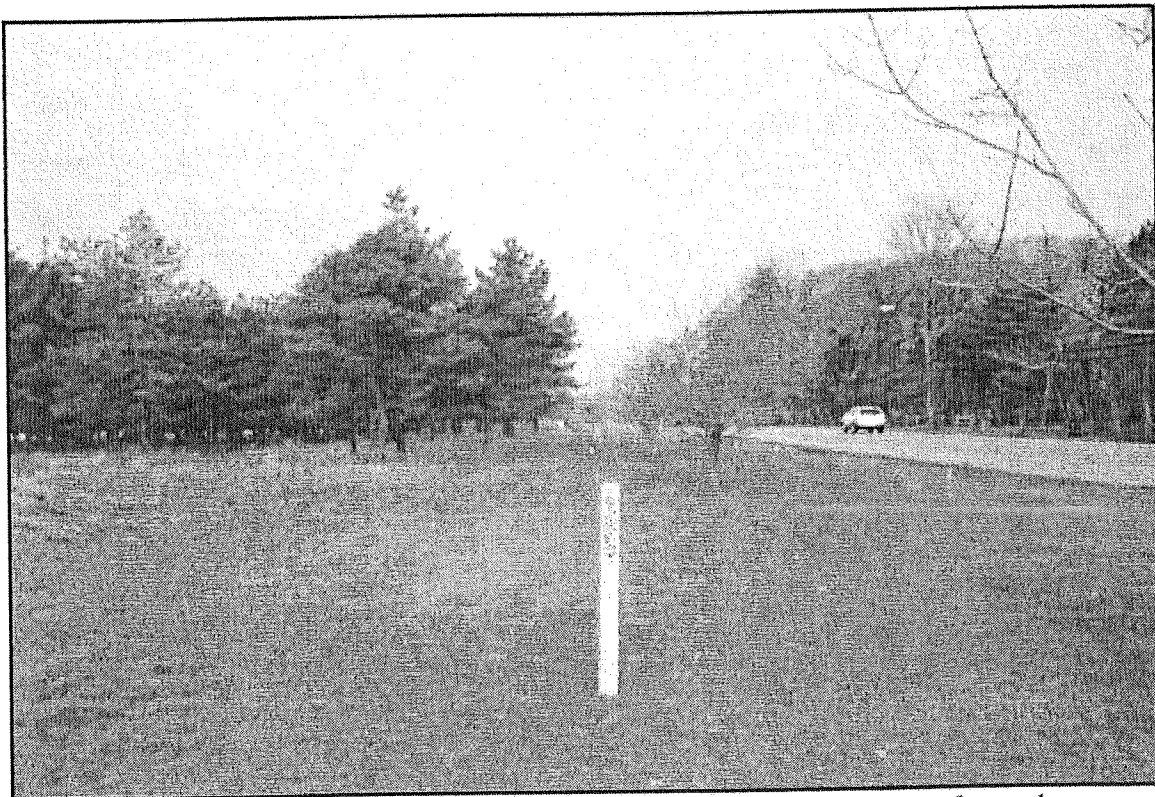
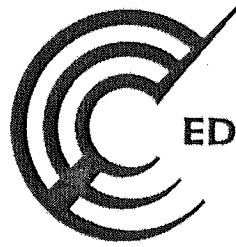


Photo 6: Delineators for 8" petroleum pipeline along northern boundary of parcel.



EDR™ Environmental
Data Resources Inc

The EDR Radius Map™ Report

**Canterbury Woods - Lexington Village
705 Renaissance Drive
Williamsville, NY 14221**

Inquiry Number: 01407053.1r

April 25, 2005

The Standard in Environmental Risk Management Information

440 Wheelers Farms Road
Milford, Connecticut 06460

Nationwide Customer Service

Telephone: 1-800-352-0050
Fax: 1-800-231-6802
Internet: www.edrnet.com

TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
Executive Summary.....	ES1
Overview Map.....	2
Detail Map.....	3
Map Findings Summary.....	4
Map Findings.....	6
Orphan Summary.....	10
Government Records Searched/Data Currency Tracking.....	GR-1

GEOCHECK ADDENDUM

GeoCheck - Not Requested

Thank you for your business.
Please contact EDR at 1-800-352-0050
with any questions or comments.

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EXECUTIVE SUMMARY

A search of available environmental records was conducted by Environmental Data Resources, Inc. (EDR). The report meets the government records search requirements of ASTM Standard Practice for Environmental Site Assessments, E 1527-00. Search distances are per ASTM standard or custom distances requested by the user.

TARGET PROPERTY INFORMATION

ADDRESS

705 RENAISSANCE DRIVE
WILLIAMSVILLE, NY 14221

COORDINATES

Latitude (North): 42.998100 - 42° 59' 53.2"
Longitude (West): 78.718800 - 78° 43' 7.7"
Universal Transverse Mercator: Zone 17
UTM X (Meters): 685951.3
UTM Y (Meters): 4762914.0
Elevation: 600 ft. above sea level

USGS TOPOGRAPHIC MAP ASSOCIATED WITH TARGET PROPERTY

Target Property: 42078-H6 LANCASTER, NY
Source: USGS 7.5 min quad index

TARGET PROPERTY SEARCH RESULTS

The target property was not listed in any of the databases searched by EDR.

DATABASES WITH NO MAPPED SITES

No mapped sites were found in EDR's search of available ("reasonably ascertainable ") government records either on the target property or within the ASTM E 1527-00 search radius around the target property for the following databases:

FEDERAL ASTM STANDARD

NPL..... National Priority List
Proposed NPL..... Proposed National Priority List Sites
CERCLIS..... Comprehensive Environmental Response, Compensation, and Liability Information System
CERC-NFRAP..... CERCLIS No Further Remedial Action Planned
CORRACTS..... Corrective Action Report
RCRA-TSDF..... Resource Conservation and Recovery Act Information
RCRA-LQG..... Resource Conservation and Recovery Act Information
RCRA-SQG..... Resource Conservation and Recovery Act Information
ERNS..... Emergency Response Notification System

STATE ASTM STANDARD

SHWS..... Inactive Hazardous Waste Disposal Sites in New York State

EXECUTIVE SUMMARY

SWF/LF.....	Facility Register
UST.....	Petroleum Bulk Storage (PBS) Database
CBS UST.....	Chemical Bulk Storage Database
MOSF UST.....	Major Oil Storage Facilities Database
VCP.....	Voluntary Cleanup Agreements
SWTIRE.....	Registered Waste Tire Storage & Facility List
SWRCY.....	Registered Recycling Facility List

FEDERAL ASTM SUPPLEMENTAL

CONSENT.....	Superfund (CERCLA) Consent Decrees
ROD.....	Records Of Decision
Delisted NPL.....	National Priority List Deletions
FINDS.....	Facility Index System/Facility Identification Initiative Program Summary Report
HMIRS.....	Hazardous Materials Information Reporting System
MLTS.....	Material Licensing Tracking System
MINES.....	Mines Master Index File
NPL Liens.....	Federal Superfund Liens
PADS.....	PCB Activity Database System
INDIAN RESERV.....	Indian Reservations
FUDS.....	Formerly Used Defense Sites
UMTRA.....	Uranium Mill Tailings Sites
US ENG CONTROLS.....	Engineering Controls Sites List
ODI.....	Open Dump Inventory
DOD.....	Department of Defense Sites
RAATS.....	RCRA Administrative Action Tracking System
TRIS.....	Toxic Chemical Release Inventory System
TSCA.....	Toxic Substances Control Act
SSTS.....	Section 7 Tracking Systems
FTTS INSP.....	FIFRA/ TSCA Tracking System - FIFRA (Federal Insecticide, Fungicide, & Rodenticide Act)/TSCA (Toxic Substances Control Act)

STATE OR LOCAL ASTM SUPPLEMENTAL

HSWDS.....	Hazardous Substance Waste Disposal Site Inventory
AST.....	Petroleum Bulk Storage
CBS AST.....	Chemical Bulk Storage Database
MOSF AST.....	Major Oil Storage Facilities Database
NY Spills.....	Spills Information Database
DEL SHWS.....	Delisted Registry Sites
DRYCLEANERS.....	Registered Drycleaners
AIRS.....	Air Emissions Data
SPDES.....	State Pollutant Discharge Elimination System

EDR PROPRIETARY HISTORICAL DATABASES

Coal Gas.....	Former Manufactured Gas (Coal Gas) Sites
---------------	--

BROWNFIELDS DATABASES

US BROWNFIELDS.....	A Listing of Brownfields Sites
US INST CONTROL.....	Sites with Institutional Controls
Brownfields.....	Brownfields Site List

EXECUTIVE SUMMARY

VCP..... Voluntary Cleanup Agreements

SURROUNDING SITES: SEARCH RESULTS

Surrounding sites were identified.

Elevations have been determined from the USGS Digital Elevation Model and should be evaluated on a relative (not an absolute) basis. Relative elevation information between sites of close proximity should be field verified. Sites with an elevation equal to or higher than the target property have been differentiated below from sites with an elevation lower than the target property. Page numbers and map identification numbers refer to the EDR Radius Map report where detailed data on individual sites can be reviewed.

Sites listed in *bold italics* are in multiple databases.

Unmappable (orphan) sites are not considered in the foregoing analysis.

STATE ASTM STANDARD

LTANKS: Leaking Storage Tank Incident Reports. These records contain an inventory of reported leaking storage tank incidents reported from 4/1/86 through the most recent update. They can be either leaking underground storage tanks or leaking aboveground storage tanks. The causes of the incidents are tank test failures, tank failures or tank overfills

A review of the LTANKS list, as provided by EDR, and dated 02/10/2005 has revealed that there are 2 LTANKS sites within approximately 0.5 miles of the target property.

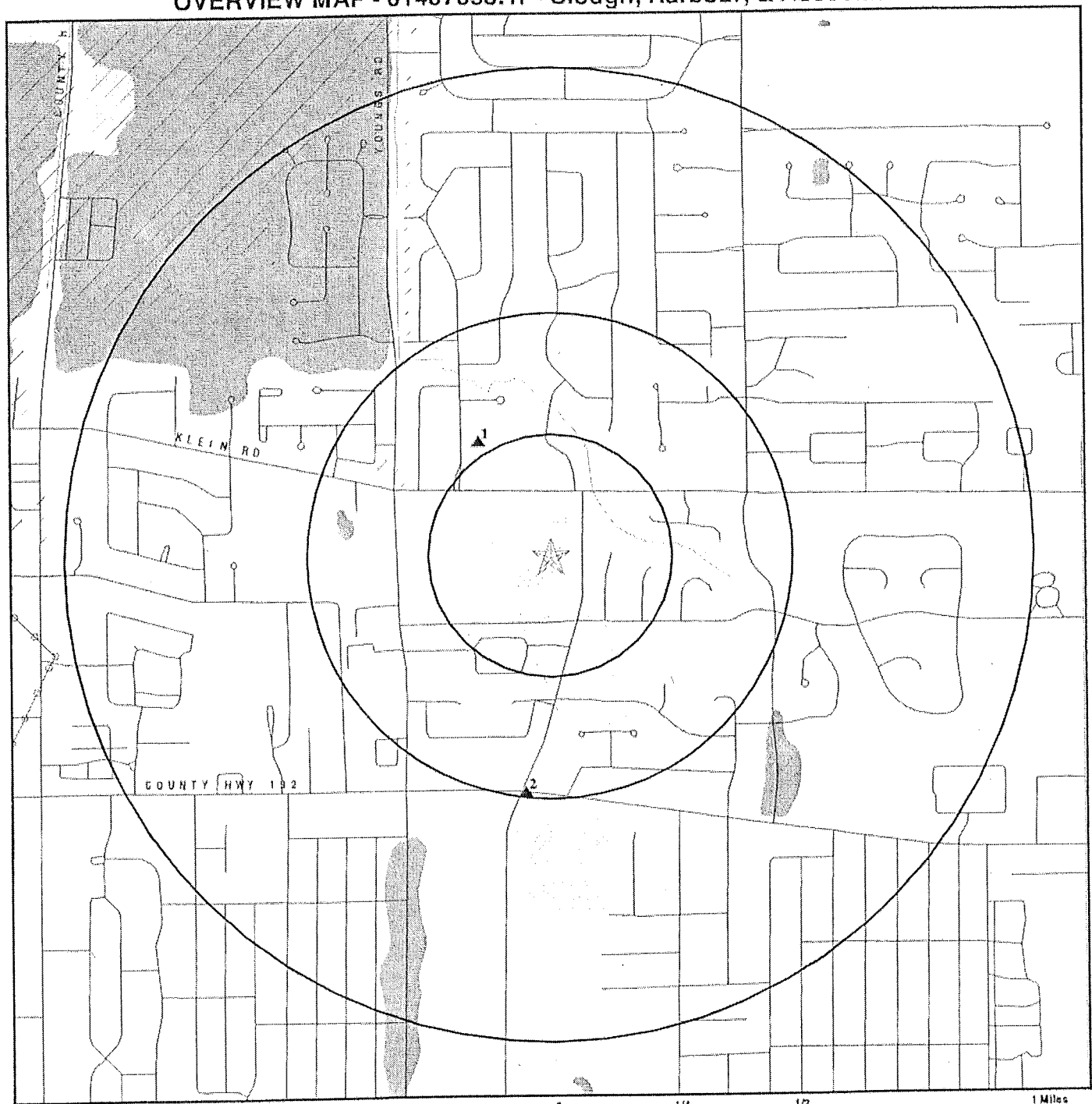
<u>Equal/Higher Elevation</u>	<u>Address</u>	<u>Dist / Dir</u>	<u>Map ID</u>	<u>Page</u>
PECK RESIDENCE - TANK	16 CHAPELWOOD WEST	1/4 - 1/2 NNW	1	6
WETZEL'S SERVICE CORPORAT	1810 MAPLE ROAD	1/4 - 1/2 S	2	7

EXECUTIVE SUMMARY

Due to poor or inadequate address information, the following sites were not mapped:

<u>Site Name</u>	<u>Database(s)</u>
PFOHL BROTHERS LANDFILL	SHWS
CTS CRUSHING & RECYCLING	SWF/LF
COMMUNITY DISP. TRAN STA.	SWF/LF
LAMB & WEBSTER C & D	SWF/LF
MONRO MUFFLER BRAKE	RCRA-SQG, FINDS
VILLAGE OF WILLIAMSVILLE STORM SEWERS	FINDS
WILLIAMSVILLE - V SEWER SYSTEM OVERFLOWS	FINDS
ELLCOTT CREEK	NY Spills
NIAGARA MOHAWK	NY Spills
FOAM ON ELLICOTT CREEK	NY Spills
VILLAGE GLEN TENNIS CENTR	NY Spills
WASTE OIL DUMPING	NY Spills

OVERVIEW MAP - 01407053.1r - Clough, Harbour, & Associates

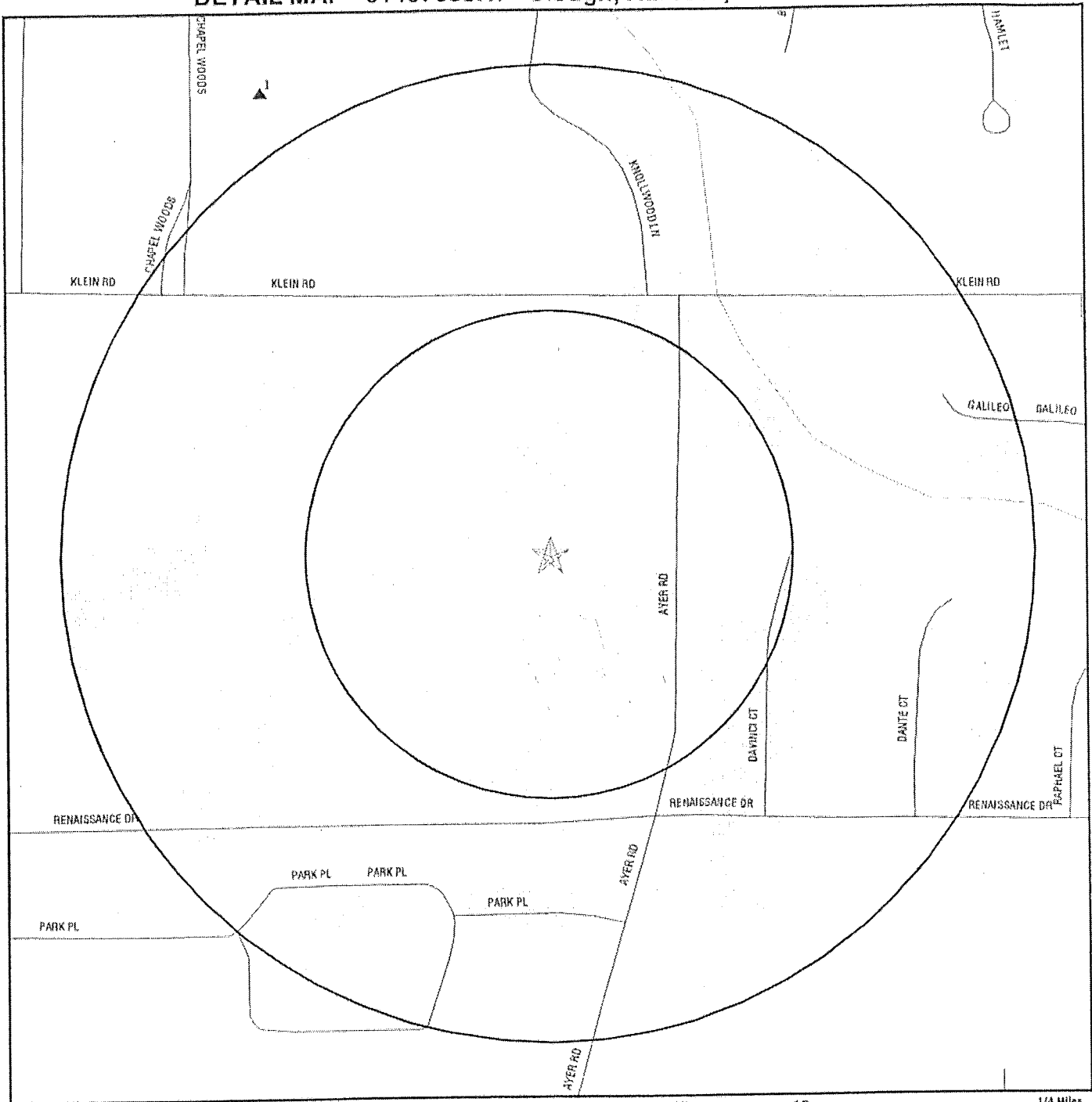


- ☆ Target Property
- ▲ Sites at elevations higher than or equal to the target property
- ◆ Sites at elevations lower than the target property
- ▲ Coal Gasification Sites
- ☐ National Priority List Sites
- ☐ Landfill Sites
- ☐ Dept. Defense Sites
- ☐ Indian Reservations BIA
- ~ Power transmission lines
- ~ Oil & Gas pipelines
- ▨ 100-year flood zone
- ▨ 500-year flood zone
- ▨ Federal Wetlands
- ☐ State Wetlands

TARGET PROPERTY: Canterbury Woods - Lexington Village
ADDRESS: 705 Renaissance Drive
CITY/STATE/ZIP: Williamsville NY 14221
LAT/LONG: 42.9981 / 78.7188

CUSTOMER: Clough, Harbour, & Associates
CONTACT: Paul Smeader
INQUIRY #: 01407053.1r
DATE: April 25, 2005 4:10 pm

DETAIL MAP - 01407053.1r - Clough, Harbour, & Associates



- ☆ Target Property
- ▲ Sites at elevations higher than or equal to the target property
- ◆ Sites at elevations lower than the target property
- ▲ Coal Gasification Sites
- ⚡ Sensitive Receptors
- ☒ National Priority List Sites
- ☒ Landfill Sites
- ☒ Dept. Defense Sites

- ☒ Indian Reservations BIA
- ⚡ Oil & Gas pipelines
- ☒ 100-year flood zone
- ☒ 500-year flood zone



TARGET PROPERTY: Canterbury Woods - Lexington Village ADDRESS: 705 Renaissance Drive CITY/STATE/ZIP: Williamsville NY 14221 LAT/LONG: 42.9981 / 78.7188	CUSTOMER: Clough, Harbour, & Associates CONTACT: Paul Smeader INQUIRY #: 01407053.1r DATE: April 25, 2005 4:11 pm
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MAP FINDINGS SUMMARY

Database	Target Property	Search Distance (Miles)	< 1/8	1/8 - 1/4	1/4 - 1/2	1/2 - 1	> 1	Total Plotted
<u>FEDERAL ASTM STANDARD</u>								
	NPL	1.000	0	0	0	0	NR	0
	Proposed NPL	1.000	0	0	0	0	NR	0
	CERCLIS	0.500	0	0	0	NR	NR	0
	CERC-NFRAP	0.250	0	0	NR	NR	NR	0
	CORRACTS	1.000	0	0	0	0	NR	0
	RCRA TSD	0.500	0	0	0	NR	NR	0
	RCRA Lg. Quan. Gen.	0.250	0	0	NR	NR	NR	0
	RCRA Sm. Quan. Gen.	0.250	0	0	NR	NR	NR	0
	ERNS	TP	NR	NR	NR	NR	NR	0
<u>STATE ASTM STANDARD</u>								
	State Haz. Waste	1.000	0	0	0	0	NR	0
	State Landfill	0.500	0	0	0	NR	NR	0
	LTANKS	0.500	0	0	2	NR	NR	2
	UST	0.250	0	0	NR	NR	NR	0
	CBS UST	0.250	0	0	NR	NR	NR	0
	MOSF UST	0.500	0	0	0	NR	NR	0
	VCP	0.500	0	0	0	NR	NR	0
	SWTIRE	0.500	0	0	0	NR	NR	0
	SWRCY	0.500	0	0	0	NR	NR	0
<u>FEDERAL ASTM SUPPLEMENTAL</u>								
	CONSENT	1.000	0	0	0	0	NR	0
	ROD	1.000	0	0	0	0	NR	0
	Delisted NPL	1.000	0	0	0	0	NR	0
	FINDS	TP	NR	NR	NR	NR	NR	0
	HMIRS	TP	NR	NR	NR	NR	NR	0
	MLTS	TP	NR	NR	NR	NR	NR	0
	MINES	0.250	0	0	NR	NR	NR	0
	NPL Liens	TP	NR	NR	NR	NR	NR	0
	PADS	TP	NR	NR	NR	NR	NR	0
	INDIAN RESERV	1.000	0	0	0	0	NR	0
	FUDS	1.000	0	0	0	0	NR	0
	UMTRA	0.500	0	0	0	NR	NR	0
	US ENG CONTROLS	0.500	0	0	0	NR	NR	0
	ODI	0.500	0	0	0	NR	NR	0
	DOD	1.000	0	0	0	0	NR	0
	RAATS	TP	NR	NR	NR	NR	NR	0
	TRIS	TP	NR	NR	NR	NR	NR	0
	TSCA	TP	NR	NR	NR	NR	NR	0
	SSTS	TP	NR	NR	NR	NR	NR	0
	FTTS	TP	NR	NR	NR	NR	NR	0
<u>STATE OR LOCAL ASTM SUPPLEMENTAL</u>								
	HSWDS	0.500	0	0	0	NR	NR	0

MAP FINDINGS SUMMARY

Database	Target Property	Search Distance (Miles)	< 1/8	1/8 - 1/4	1/4 - 1/2	1/2 - 1	> 1	Total Plotted
AST		TP	NR	NR	NR	NR	NR	0
CBS AST		0.250	0	0	NR	NR	NR	0
MOSF AST		0.500	0	0	0	NR	NR	0
NY Spills		0.125	0	NR	NR	NR	NR	0
DEL SHWS		1.000	0	0	0	0	NR	0
DRYCLEANERS		0.250	0	0	NR	NR	NR	0
AIRS		TP	NR	NR	NR	NR	NR	0
SPDES		TP	NR	NR	NR	NR	NR	0
<u>EDR PROPRIETARY HISTORICAL DATABASES</u>								
Coal Gas		1.000	0	0	0	0	NR	0
<u>BROWNFIELDS DATABASES</u>								
US BROWNFIELDS		0.500	0	0	0	NR	NR	0
US INST CONTROL		0.500	0	0	0	NR	NR	0
Brownfields		0.500	0	0	0	NR	NR	0
VCP		0.500	0	0	0	NR	NR	0

NOTES:

TP = Target Property

NR = Not Requested at this Search Distance

Sites may be listed in more than one database

Map ID
 Direction
 Distance
 Distance (ft.)
 Elevation Site

MAP FINDINGS

Database(s) EDR ID Number
 EPA ID Number

Coal Gas Site Search: No site was found in a search of Real Property Scan's ENVIROHAZ database.

1 PECK RESIDENCE - TANK LTANKS S102234149
 NNW 16 CHAPELWOOD WEST N/A
 1/4-1/2 CLARENCE, NY
 1474 ft.

Relative:
 Equal
 Actual:
 600 ft.

LTANKS:
 Spill Number: 9601816 Region of Spill: 9
 Spill Date: 05/01/1996 12:00 Reported to Dept: 05/06/96 15:09
 ID: Not reported Date Call Received: Not reported
 Material Spilled: Not reported Amount Spilled: Not reported
 Region Close Dt: Not reported
 Water Affected: Not reported Spill Source: Private Dwelling
 Resource Affectd: On Land
 Spill Cause: Tank Failure Facility Tele: (716) 688-8592
 Facility Contact: RON PECK SWIS: 14
 Investigator: MJS Caller Agency: Not reported
 Caller Name: Not reported Caller Phone: Not reported
 Caller Phone: Not reported Caller Extension: Not reported
 Notifier Name: Not reported Notifier Agency: Not reported
 Notifier Phone: Not reported Notifier Extension: Not reported
 PBS: Not reported Spiller Phone: Not reported
 Spiller Contact: Not reported
 Spiller: RON PECK
 Spiller Address: 60 SKILLEN STREET
 BUFFALO, NY 14207
 Spill Class: Known release with minimal potential for fire or hazard. DEC Response.
 Willing Responsible Party. Corrective action taken.
 Spill Closed Dt: 01/30/97
 Spill Notifier: Responsible Party PBS Number: Not reported
 Cleanup Ceased: / /
 Last Inspection: 07/10/96
 Cleanup Meets Standard: True
 Recommended Penalty: Penalty Not Recommended
 Spiller Cleanup Date: / /
 Enforcement Date: / /
 Investigation Complete: / /
 UST Involvement: False
 Spill Record Last Update: 02/10/97
 Is Updated: False
 Corrective Action Plan Submitted: / /
 Date Spill Entered In Computer Data File: 05/06/96
 Date Region Sent Summary to Central Office: / /
 Tank Test:
 PBS Number: Not reported
 Tank Number: Not reported
 Test Method: Not reported
 Capacity of Failed Tank: Not reported
 Leak Rate Failed Tank: Not reported
 Gross Leak Rate: Not reported
 Material:
 Material Class Type: 1
 Quantity Spilled: 10
 Units: Gallons
 Unknown Qty Spilled: 10
 Quantity Recovered: 10

MAP FINDINGS

Map ID
 Direction
 Distance
 Distance (ft.)
 Elevation Site

Database(s)
 EDR ID Number
 EPA ID Number

PECK RESIDENCE - TANK (Continued)

S102234149

Unknown Qty Recovered: False
 Material: #2 FUEL OIL
 Class Type: Petroleum
 Chem Abstract Service Number: #2 FUEL OIL
 Last Date: 12/07/1994
 Num Times Material Entry In File: 24464
 DEC Remarks: 05/29/96: MJS SITE INSPECT. NO WORK PERFORMED TO DATE. RESIDENT IS WAITING FOR MR BOGNAR TO REMOVE TANK. GRASS AREA AROUND FILL PIPE IS DEAD. APPROX 10 GALLON RELEASE. 06/17/96: MJS TELECON WITH JACK BOGNAR. HE WILL REMOVE TANK TOMORROW, WEATHER PERMITTING. 06/18/96: HEAVY RAIN, NO WORK. 07/10/96: MJS SITE INSPECT. TANK REMOVED AND EXCAVATION BACKFILLED. NO EXCAVATION SAMPLES REQUIRED - ONLY SURFACE OF GROUND IS CONTAMINATED. 07/30/96: MJS TELECON WITH MR BOGNAR. HE WILL FORWARD DISPOSAL DOCUMENTATION FOR 2 CUBIC YARDS OF SOIL AND TANK CONTENTS. 01/23/97: MJS REVIEW FILE. DISPOSAL DOCUMENTATION NOT YET RECEIVED. MJS TELECON TO JACK BOGNAR. HE WILL FORWARD DISPOSAL RECEIPT. 01/30/97: RECEIVED FAX OF WASTE MANIFEST FROM BOGNAR BROS. 6.33 TONS SOIL DISPOSED AT LAKEVIEW LANDFILL.
 Spill Cause: 275 gallon f.o. tank filled with water and product - grassy area around tankfill contaminated

Spill Number:	9601816	Region of Spill:	9
Spill Date:	05/01/96	Reported to Dept:	/ /
ID:	232735	Date Call Received:	05/06/96
Material Spilled:	#2 FUEL OIL	Amount Spilled:	10 Gal.
Region Close Dt:	01/30/97	Spill Source:	PRIVATE DWELLING
Water Affected:	Not reported	Tank Size:	Not reported
Resource Affected:	On Land	Leak Rate:	Not reported
Spill Cause:	Tank Failure		
Tank Number:	Not reported		
Test Method:	Not reported		
PBS:	Not reported		

2
 South
 1/4-1/2
 2577 ft.

WETZEL'S SERVICE CORPORAT
 1810 MAPLE ROAD
 AMHERST, NY

LTANKS S103558561
 N/A

Relative:
 Higher
 Actual:
 608 ft.

LTANKS:
 Spill Number: 9875233
 Spill Date: 11/01/1998 12:00
 ID: Not reported
 Material Spilled: Not reported
 Region Close Dt: Not reported
 Water Affected: Not reported
 Resource Affected: Groundwater
 Spill Cause: Tank Failure
 Facility Contact: RON WETZEL
 Investigator: RMC
 Caller Name: Not reported
 Caller Phone: Not reported
 Notifier Name: Not reported
 Notifier Phone: Not reported
 PBS: Not reported
 Spiller Contact: Not reported
 Spiller: WETZEL'S SERVICE CORPORAT
 Spiller Address: 1105 WEHRLE DRIVE
 WILLIAMSVILLE, NY 14221
 Spill Class: Known release that creates potential for fire or hazard. DEC Response. Willing Responsible Party. Corrective action taken.

Region of Spill:	9
Reported to Dept:	11/25/98 13:55
Date Call Received:	Not reported
Amount Spilled:	Not reported
Spill Source:	Gas Station
Facility Tele:	(716) 633-5224
SWIS:	14
Caller Agency:	Not reported
Caller Extension:	Not reported
Notifier Agency:	Not reported
Notifier Extension:	Not reported
Spiller Phone:	Not reported

Map ID
Direction
Distance
Distance (ft.)
Elevation Site

MAP FINDINGS

Database(s) EDR ID Number
EPA ID Number

WETZEL'S SERVICE CORPORAT (Continued)

S103558561

Spill Closed Dt: 08/12/99
Spill Notifier: Other
Cleanup Ceased: / /
Last Inspection: 11/25/98
Cleanup Meets Standard: True
Recommended Penalty: Penalty Not Recommended
Spiller Cleanup Date: / /
Enforcement Date: / /
Investigation Complete: / /
UST Involvement: False
Spill Record Last Update: 08/17/99
Is Updated: False
Corrective Action Plan Submitted: / /
Date Spill Entered In Computer Data File: 11/25/98 15:06
Date Region Sent Summary to Central Office: / /

PBS Number: 9-067180

Tank Test:

PBS Number: Not reported
Tank Number: Not reported
Test Method: Not reported
Capacity of Failed Tank: Not reported
Leak Rate Failed Tank: Not reported
Gross Leak Rate: Not reported

Material:

Material Class Type: 1
Quantity Spilled: 0
Units: Gallons
Unknown Qty Spilled: No
Quantity Recovered: 0
Unknown Qty Recovered: True
Material: #2 FUEL OIL
Class Type: Petroleum
Chem Abstract Service Number: #2 FUEL OIL
Last Date: 12/07/1994
Num Times Material Entry In File: 24464

DEC Remarks: 11/25/98: RMC SITE INSPECTION, TWO 1K TANKS ON TRAILOR, CLEANED, 20 TONS STOCKPILED, EXCAVATION OPEN, MINOR PROBLEM NOTED, TO CONTACT CONTRACTOR 12/1/98: RMC TELECON TO MARSHALL KIMMONS, REMOVED 40 TONS OF SOIL, GW SAMPLE TAKEN, DISPOSAL AND TESTING DUE 1/99 03/22/99: RMC FILE REVIEW, NO DOCUMENTS RECEIVED, SENT LETTER, RESPONSE DUE 4/15/99 08/10/99: RMC FILE REVIEW, TRIED TO CONTACT, DID NOT RETURN TELECONS, SENT NO RESPONSE LETTER, RESPONSE DUE 8/30 08/12/99: RMC RECEIVED EXCAVATION SAMPLE RESULTS AND DISPOSAL RECEIPTS FOR 45 TONS, NO EXCEEDANCES, SPILL COMPLETE, CLOSE OUT

Spill Cause: PETROLEUM CONTAMINATED SOIL FOUND WHILE REMOVING TANK, CALLER INDICATED IT WAS FUEL OIL BUT NO FUEL OIL TANKS ARE REGISTERED ON SITE, A 500 GALLON WASTE OIL TANK IS ALSO BEING REMOVED.

Spill Number: 9875233
Spill Date: 11/01/98
ID: 269833
Material Spilled: #2 FUEL OIL
Region Close Dt: 08/12/99
Water Affected: Not reported
Resource Affected: Groundwater
Spill Cause: Tank Failure
Tank Number: Not reported
Test Method: Not reported
Region of Spill: 9
Reported to Dept: / /
Date Call Received: 11/25/98
Amount Spilled: 0 Gal.
Spill Source: GASOLINE STATION
Tank Size: Not reported
Leak Rate: Not reported

MAP FINDINGS

Map ID
Direction
Distance
Distance (ft.)
Elevation

Site

Database(s) EDR ID Number
EPA ID Number

WETZEL'S SERVICE CORPORAT (Continued)

S103558561

PBS: 9-067180

ORPHAN SUMMARY

City	EDR ID	Site Name	Site Address	Zip	Database(s)
AMHERST	1004749529	MONRO MUFFLER BRAKE	107 RTE 101A	14221	RCRA-SQG, FINDS
AMHERST	1007755638	VILLAGE OF WILLIAMSVILLE STORM SEWERS	ENTIRE VILLAGE	14221	FINDS
AMHERST	1007776592	WILLIAMSVILLE - V SEWER SYSTEM OVERFLOWS	MILL STREET	14221	FINDS
AMHERST	S106770142	CTS CRUSHING & RECYCLING	TRANSIT AND MAPLE ROAD	14221	SWF/LF
CHEEKTOWAGA	S106780962	PFOHL BROTHERS LANDFILL	AERO DRIVE AND TRANSIT ROAD	14221	SHWS
ERIE COUNTY	S105941842	COMMUNITY DISP. TRAN STA.	UNKNOWN		SWF/LF
ERIE COUNTY	S105942568	LAMB & WEBSTER C & D	UNKNOWN		SWF/LF
WILLIAMSVILLE	S102174921	ELLCOTT CREEK	ISLAND PARK		NY Spills
WILLIAMSVILLE	S103562731	NIAGARA MOHAWK	ISLAND PARK - 5585 MAIN		NY Spills
WILLIAMSVILLE	S103562799	FOAM ON ELLICOTT CREEK	MAIN STREET - ROUTE 5		NY Spills
WILLIAMSVILLE	S102176032	VILLAGE GLEN TENNIS CENTR	MILL ST. ELLICOTT CREEK		NY Spills
WILLIAMSVILLE	S102447809	WASTE OIL DUMPING	RENAISSANCE DR OFF AYER		NY Spills

GOVERNMENT RECORDS SEARCHED / DATA CURRENCY TRACKING

To maintain currency of the following federal and state databases, EDR contacts the appropriate governmental agency on a monthly or quarterly basis, as required.

Elapsed ASTM days: Provides confirmation that this EDR report meets or exceeds the 90-day updating requirement of the ASTM standard.

FEDERAL ASTM STANDARD RECORDS

NPL: National Priority List

Source: EPA

Telephone: N/A

National Priorities List (Superfund). The NPL is a subset of CERCLIS and identifies over 1,200 sites for priority cleanup under the Superfund Program. NPL sites may encompass relatively large areas. As such, EDR provides polygon coverage for over 1,000 NPL site boundaries produced by EPA's Environmental Photographic Interpretation Center (EPIC) and regional EPA offices.

Date of Government Version: 12/14/04

Date Made Active at EDR: 02/03/05

Database Release Frequency: Quarterly

Date of Data Arrival at EDR: 02/01/05

Elapsed ASTM days: 2

Date of Last EDR Contact: 02/01/05

NPL Site Boundaries

Sources:

EPA's Environmental Photographic Interpretation Center (EPIC)

Telephone: 202-564-7333

EPA Region 1

Telephone 617-918-1143

EPA Region 3

Telephone 215-814-5418

EPA Region 4

Telephone 404-562-8033

EPA Region 6

Telephone: 214-655-6659

EPA Region 8

Telephone: 303-312-6774

Proposed NPL: Proposed National Priority List Sites

Source: EPA

Telephone: N/A

Date of Government Version: 12/14/04

Date Made Active at EDR: 02/03/05

Database Release Frequency: Quarterly

Date of Data Arrival at EDR: 02/01/05

Elapsed ASTM days: 2

Date of Last EDR Contact: 02/01/05

CERCLIS: Comprehensive Environmental Response, Compensation, and Liability Information System

Source: EPA

Telephone: 703-413-0223

CERCLIS contains data on potentially hazardous waste sites that have been reported to the USEPA by states, municipalities, private companies and private persons, pursuant to Section 103 of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). CERCLIS contains sites which are either proposed to or on the National Priorities List (NPL) and sites which are in the screening and assessment phase for possible inclusion on the NPL.

Date of Government Version: 02/15/05

Date Made Active at EDR: 04/06/05

Database Release Frequency: Quarterly

Date of Data Arrival at EDR: 03/22/05

Elapsed ASTM days: 15

Date of Last EDR Contact: 03/22/05

CERCLIS-NFRAP: CERCLIS No Further Remedial Action Planned

Source: EPA

Telephone: 703-413-0223

As of February 1995, CERCLIS sites designated "No Further Remedial Action Planned" (NFRAP) have been removed from CERCLIS. NFRAP sites may be sites where, following an initial investigation, no contamination was found, contamination was removed quickly without the need for the site to be placed on the NPL, or the contamination was not serious enough to require Federal Superfund action or NPL consideration. EPA has removed approximately 25,000 NFRAP sites to lift the unintended barriers to the redevelopment of these properties and has archived them as historical records so EPA does not needlessly repeat the investigations in the future. This policy change is part of the EPA's Brownfields Redevelopment Program to help cities, states, private investors and affected citizens to promote economic redevelopment of unproductive urban sites.

GOVERNMENT RECORDS SEARCHED / DATA CURRENCY TRACKING

Date of Government Version: 03/22/05
Date Made Active at EDR: 04/06/05
Database Release Frequency: Quarterly

Date of Data Arrival at EDR: 04/01/05
Elapsed ASTM days: 5
Date of Last EDR Contact: 04/01/05

CORRACTS: Corrective Action Report

Source: EPA
Telephone: 800-424-9346
CORRACTS identifies hazardous waste handlers with RCRA corrective action activity.

Date of Government Version: 12/15/04
Date Made Active at EDR: 02/25/05
Database Release Frequency: Quarterly

Date of Data Arrival at EDR: 01/07/05
Elapsed ASTM days: 49
Date of Last EDR Contact: 03/07/05

RCRA: Resource Conservation and Recovery Act Information

Source: EPA
Telephone: 800-424-9346

RCRAInfo is EPA's comprehensive information system, providing access to data supporting the Resource Conservation and Recovery Act (RCRA) of 1976 and the Hazardous and Solid Waste Amendments (HSWA) of 1984. RCRAInfo replaces the data recording and reporting abilities of the Resource Conservation and Recovery Information System (RCRIS). The database includes selective information on sites which generate, transport, store, treat and/or dispose of hazardous waste as defined by the Resource Conservation and Recovery Act (RCRA). Conditionally exempt small quantity generators (CESQGs) generate less than 100 kg of hazardous waste, or less than 1 kg of acutely hazardous waste per month. Small quantity generators (SQGs) generate between 100 kg and 1,000 kg of hazardous waste per month. Large quantity generators (LQGs) generate over 1,000 kilograms (kg) of hazardous waste, or over 1 kg of acutely hazardous waste per month. Transporters are individuals or entities that move hazardous waste from the generator off-site to a facility that can recycle, treat, store, or dispose of the waste. TSDFs treat, store, or dispose of the waste.

Date of Government Version: 03/13/05
Date Made Active at EDR: 04/25/05
Database Release Frequency: Quarterly

Date of Data Arrival at EDR: 03/23/05
Elapsed ASTM days: 33
Date of Last EDR Contact: 03/23/05

ERNS: Emergency Response Notification System

Source: National Response Center, United States Coast Guard
Telephone: 202-260-2342

Emergency Response Notification System. ERNS records and stores information on reported releases of oil and hazardous substances.

Date of Government Version: 12/31/04
Date Made Active at EDR: 03/24/05
Database Release Frequency: Annually

Date of Data Arrival at EDR: 01/27/05
Elapsed ASTM days: 56
Date of Last EDR Contact: 01/27/05

FEDERAL ASTM SUPPLEMENTAL RECORDS

BRS: Biennial Reporting System

Source: EPA/NTIS
Telephone: 800-424-9346

The Biennial Reporting System is a national system administered by the EPA that collects data on the generation and management of hazardous waste. BRS captures detailed data from two groups: Large Quantity Generators (LQG) and Treatment, Storage, and Disposal Facilities.

Date of Government Version: 12/01/01
Database Release Frequency: Biennially

Date of Last EDR Contact: 04/15/05
Date of Next Scheduled EDR Contact: 06/13/05

CONSENT: Superfund (CERCLA) Consent Decrees

Source: Department of Justice, Consent Decree Library
Telephone: Varies

Major legal settlements that establish responsibility and standards for cleanup at NPL (Superfund) sites. Released periodically by United States District Courts after settlement by parties to litigation matters.

GOVERNMENT RECORDS SEARCHED / DATA CURRENCY TRACKING

Date of Government Version: 12/14/04
Database Release Frequency: Varies

Date of Last EDR Contact: 01/27/05
Date of Next Scheduled EDR Contact: 04/25/05

ROD: Records Of Decision

Source: EPA

Telephone: 703-416-0223

Record of Decision. ROD documents mandate a permanent remedy at an NPL (Superfund) site containing technical and health information to aid in the cleanup.

Date of Government Version: 01/10/05
Database Release Frequency: Annually

Date of Last EDR Contact: 01/05/05
Date of Next Scheduled EDR Contact: 04/04/05

DELISTED NPL: National Priority List Deletions

Source: EPA

Telephone: N/A

The National Oil and Hazardous Substances Pollution Contingency Plan (NCP) establishes the criteria that the EPA uses to delete sites from the NPL. In accordance with 40 CFR 300.425.(e), sites may be deleted from the NPL where no further response is appropriate.

Date of Government Version: 12/14/04
Database Release Frequency: Quarterly

Date of Last EDR Contact: 02/01/05
Date of Next Scheduled EDR Contact: 05/02/05

FINDS: Facility Index System/Facility Identification Initiative Program Summary Report

Source: EPA

Telephone: N/A

Facility Index System. FINDS contains both facility information and 'pointers' to other sources that contain more detail. EDR includes the following FINDS databases in this report: PCS (Permit Compliance System), AIRS (Aerometric Information Retrieval System), DOCKET (Enforcement Docket used to manage and track information on civil judicial enforcement cases for all environmental statutes), FURS (Federal Underground Injection Control), C-DOCKET (Criminal Docket System used to track criminal enforcement actions for all environmental statutes), FFIS (Federal Facilities Information System), STATE (State Environmental Laws and Statutes), and PADS (PCB Activity Data System).

Date of Government Version: 01/12/05
Database Release Frequency: Quarterly

Date of Last EDR Contact: 01/03/05
Date of Next Scheduled EDR Contact: 04/04/05

HMIRS: Hazardous Materials Information Reporting System

Source: U.S. Department of Transportation

Telephone: 202-366-4555

Hazardous Materials Incident Report System. HMIRS contains hazardous material spill incidents reported to DOT.

Date of Government Version: 11/16/04
Database Release Frequency: Annually

Date of Last EDR Contact: 01/19/05
Date of Next Scheduled EDR Contact: 04/18/05

MLTS: Material Licensing Tracking System

Source: Nuclear Regulatory Commission

Telephone: 301-415-7169

MLTS is maintained by the Nuclear Regulatory Commission and contains a list of approximately 8,100 sites which possess or use radioactive materials and which are subject to NRC licensing requirements. To maintain currency, EDR contacts the Agency on a quarterly basis.

Date of Government Version: 01/12/05
Database Release Frequency: Quarterly

Date of Last EDR Contact: 04/04/05
Date of Next Scheduled EDR Contact: 07/04/05

MINES: Mines Master Index File

Source: Department of Labor, Mine Safety and Health Administration

Telephone: 303-231-5959

Contains all mine identification numbers issued for mines active or opened since 1971. The data also includes violation information.

GOVERNMENT RECORDS SEARCHED / DATA CURRENCY TRACKING

Date of Government Version: 11/15/04
Database Release Frequency: Semi-Annually

Date of Last EDR Contact: 03/30/05
Date of Next Scheduled EDR Contact: 06/27/05

NPL LIENS: Federal Superfund Liens

Source: EPA
Telephone: 202-564-4267

Federal Superfund Liens. Under the authority granted the USEPA by the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) of 1980, the USEPA has the authority to file liens against real property in order to recover remedial action expenditures or when the property owner receives notification of potential liability. USEPA compiles a listing of filed notices of Superfund Liens.

Date of Government Version: 10/15/91
Database Release Frequency: No Update Planned

Date of Last EDR Contact: 02/22/05
Date of Next Scheduled EDR Contact: 05/23/05

PADS: PCB Activity Database System

Source: EPA
Telephone: 202-564-3887

PCB Activity Database. PADS Identifies generators, transporters, commercial storers and/or brokers and disposers of PCB's who are required to notify the EPA of such activities.

Date of Government Version: 12/21/04
Database Release Frequency: Annually

Date of Last EDR Contact: 02/23/05
Date of Next Scheduled EDR Contact: 05/09/05

DOD: Department of Defense Sites

Source: USGS
Telephone: 703-692-8801

This data set consists of federally owned or administered lands, administered by the Department of Defense, that have any area equal to or greater than 640 acres of the United States, Puerto Rico, and the U.S. Virgin Islands.

Date of Government Version: 10/01/03
Database Release Frequency: Semi-Annually

Date of Last EDR Contact: 02/08/05
Date of Next Scheduled EDR Contact: 05/09/05

UMTRA: Uranium Mill Tailings Sites

Source: Department of Energy
Telephone: 505-846-0011

Uranium ore was mined by private companies for federal government use in national defense programs. When the mills shut down, large piles of the sand-like material (mill tailings) remain after uranium has been extracted from the ore. Levels of human exposure to radioactive materials from the piles are low; however, in some cases tailings were used as construction materials before the potential health hazards of the tailings were recognized. In 1978, 24 inactive uranium mill tailings sites in Oregon, Idaho, Wyoming, Utah, Colorado, New Mexico, Texas, North Dakota, South Dakota, Pennsylvania, and on Navajo and Hopi tribal lands, were targeted for cleanup by the Department of Energy.

Date of Government Version: 12/29/04
Database Release Frequency: Varies

Date of Last EDR Contact: 03/22/05
Date of Next Scheduled EDR Contact: 06/20/05

ODI: Open Dump Inventory

Source: Environmental Protection Agency
Telephone: 800-424-9346

An open dump is defined as a disposal facility that does not comply with one or more of the Part 257 or Part 258 Subtitle D Criteria.

Date of Government Version: 06/30/85
Database Release Frequency: No Update Planned

Date of Last EDR Contact: 05/23/95
Date of Next Scheduled EDR Contact: N/A

FUDS: Formerly Used Defense Sites

Source: U.S. Army Corps of Engineers
Telephone: 202-528-4285

The listing includes locations of Formerly Used Defense Sites properties where the US Army Corps of Engineers is actively working or will take necessary cleanup actions.

GOVERNMENT RECORDS SEARCHED / DATA CURRENCY TRACKING

Date of Government Version: 12/31/03
Database Release Frequency: Varies

Date of Last EDR Contact: 01/03/05
Date of Next Scheduled EDR Contact: 04/04/05

INDIAN RESERV: Indian Reservations

Source: USGS

Telephone: 202-208-3710

This map layer portrays Indian administered lands of the United States that have any area equal to or greater than 640 acres.

Date of Government Version: 10/01/03
Database Release Frequency: Semi-Annually

Date of Last EDR Contact: 02/08/05
Date of Next Scheduled EDR Contact: 05/09/05

US ENG CONTROLS: Engineering Controls Sites List

Source: Environmental Protection Agency

Telephone: 703-603-8867

A listing of sites with engineering controls in place. Engineering controls include various forms of caps, building foundations, liners, and treatment methods to create pathway elimination for regulated substances to enter environmental media or effect human health.

Date of Government Version: 01/10/05
Database Release Frequency: Varies

Date of Last EDR Contact: 04/04/05
Date of Next Scheduled EDR Contact: 07/04/05

RAATS: RCRA Administrative Action Tracking System

Source: EPA

Telephone: 202-564-4104

RCRA Administration Action Tracking System. RAATS contains records based on enforcement actions issued under RCRA pertaining to major violators and includes administrative and civil actions brought by the EPA. For administration actions after September 30, 1995, data entry in the RAATS database was discontinued. EPA will retain a copy of the database for historical records. It was necessary to terminate RAATS because a decrease in agency resources made it impossible to continue to update the information contained in the database.

Date of Government Version: 04/17/95
Database Release Frequency: No Update Planned

Date of Last EDR Contact: 03/07/05
Date of Next Scheduled EDR Contact: 06/06/05

TRIS: Toxic Chemical Release Inventory System

Source: EPA

Telephone: 202-566-0250

Toxic Release Inventory System. TRIS identifies facilities which release toxic chemicals to the air, water and land in reportable quantities under SARA Title III Section 313.

Date of Government Version: 12/31/02
Database Release Frequency: Annually

Date of Last EDR Contact: 03/22/05
Date of Next Scheduled EDR Contact: 06/20/05

TSCA: Toxic Substances Control Act

Source: EPA

Telephone: 202-260-5521

Toxic Substances Control Act. TSCA identifies manufacturers and importers of chemical substances included on the TSCA Chemical Substance Inventory list. It includes data on the production volume of these substances by plant site.

Date of Government Version: 12/31/02
Database Release Frequency: Every 4 Years

Date of Last EDR Contact: 04/05/05
Date of Next Scheduled EDR Contact: 06/06/05

FTTS INSP: FIFRA/ TSCA Tracking System - FIFRA (Federal Insecticide, Fungicide, & Rodenticide Act)/TSCA (Toxic Substances Control Act)

Source: EPA

Telephone: 202-566-1667

Date of Government Version: 04/13/04
Database Release Frequency: Quarterly

Date of Last EDR Contact: 03/21/05
Date of Next Scheduled EDR Contact: 06/20/05

GOVERNMENT RECORDS SEARCHED / DATA CURRENCY TRACKING

SSTS: Section 7 Tracking Systems

Source: EPA

Telephone: 202-564-5008

Section 7 of the Federal Insecticide, Fungicide and Rodenticide Act, as amended (92 Stat. 829) requires all registered pesticide-producing establishments to submit a report to the Environmental Protection Agency by March 1st each year. Each establishment must report the types and amounts of pesticides, active ingredients and devices being produced, and those having been produced and sold or distributed in the past year.

Date of Government Version: 12/31/03
Database Release Frequency: Annually

Date of Last EDR Contact: 11/29/04
Date of Next Scheduled EDR Contact: 04/18/05

FTTS: FIFRA/ TSCA Tracking System - FIFRA (Federal Insecticide, Fungicide, & Rodenticide Act)/TSCA (Toxic Substances Control Act)

Source: EPA/Office of Prevention, Pesticides and Toxic Substances

Telephone: 202-566-1667

FTTS tracks administrative cases and pesticide enforcement actions and compliance activities related to FIFRA, TSCA and EPCRA (Emergency Planning and Community Right-to-Know Act). To maintain currency, EDR contacts the Agency on a quarterly basis.

Date of Government Version: 09/13/04
Database Release Frequency: Quarterly

Date of Last EDR Contact: 03/21/05
Date of Next Scheduled EDR Contact: 06/20/05

STATE OF NEW YORK ASTM STANDARD RECORDS

SHWS: Inactive Hazardous Waste Disposal Sites in New York State

Source: Department of Environmental Conservation

Telephone: 518-402-9622

State Hazardous Waste Sites. State hazardous waste site records are the states' equivalent to CERCLIS. These sites may or may not already be listed on the federal CERCLIS list. Priority sites planned for cleanup using state funds (state equivalent of Superfund) are identified along with sites where cleanup will be paid for by potentially responsible parties. Available information varies by state.

Date of Government Version: 07/12/04
Date Made Active at EDR: 03/24/05
Database Release Frequency: Annually

Date of Data Arrival at EDR: 03/01/05
Elapsed ASTM days: 23
Date of Last EDR Contact: 02/28/05

SWF/LF: Facility Register

Source: Department of Environmental Conservation

Telephone: 518-457-2051

Solid Waste Facilities/Landfill Sites. SWF/LF type records typically contain an inventory of solid waste disposal facilities or landfills in a particular state. Depending on the state, these may be active or inactive facilities or open dumps that failed to meet RCRA Subtitle D Section 4004 criteria for solid waste landfills or disposal sites.

Date of Government Version: 01/31/05
Date Made Active at EDR: 03/10/05
Database Release Frequency: Semi-Annually

Date of Data Arrival at EDR: 01/31/05
Elapsed ASTM days: 38
Date of Last EDR Contact: 01/31/05

LTANKS: Spills Information Database

Source: Department of Environmental Conservation

Telephone: 518-402-9549

Leaking Storage Tank Incident Reports. These records contain an inventory of reported leaking storage tank incidents reported from 4/1/86 through the most recent update. They can be either leaking underground storage tanks or leaking aboveground storage tanks. The causes of the incidents are tank test failures, tank failures or tank overfills.

Date of Government Version: 02/10/05
Date Made Active at EDR: 03/01/05
Database Release Frequency: Varies

Date of Data Arrival at EDR: 02/14/05
Elapsed ASTM days: 15
Date of Last EDR Contact: 01/25/05

GOVERNMENT RECORDS SEARCHED / DATA CURRENCY TRACKING

UST: Petroleum Bulk Storage (PBS) Database

Source: Department of Environmental Conservation
Telephone: 518-402-9549

Facilities that have petroleum storage capacities in excess of 1,100 gallons and less than 400,000 gallons.

Date of Government Version: 01/01/02
Date Made Active at EDR: 03/22/02
Database Release Frequency: No Update Planned

Date of Data Arrival at EDR: 02/20/02
Elapsed ASTM days: 30
Date of Last EDR Contact: 01/24/05

CBS UST: Chemical Bulk Storage Database

Source: NYSDEC
Telephone: 518-402-9549

Facilities that store regulated hazardous substances in underground tanks of any size

Date of Government Version: 01/01/02
Date Made Active at EDR: 03/22/02
Database Release Frequency: No Update Planned

Date of Data Arrival at EDR: 02/20/02
Elapsed ASTM days: 30
Date of Last EDR Contact: 01/24/05

MOSF UST: Major Oil Storage Facilities Database

Source: NYSDEC
Telephone: 518-402-9549

Facilities that may be onshore facilities or vessels, with petroleum storage capacities of 400,000 gallons or greater.

Date of Government Version: 01/01/02
Date Made Active at EDR: 03/22/02
Database Release Frequency: Varies

Date of Data Arrival at EDR: 02/20/02
Elapsed ASTM days: 30
Date of Last EDR Contact: 01/24/05

VCP: Voluntary Cleanup Agreements

Source: Department of Environmental Conservation
Telephone: 518-402-9711

The voluntary remedial program uses private monies to get contaminated sites remediated to levels allowing for the sites' productive use. The program covers virtually any kind of site and contamination.

Date of Government Version: 12/17/04
Date Made Active at EDR: 01/31/05
Database Release Frequency: Semi-Annually

Date of Data Arrival at EDR: 12/17/04
Elapsed ASTM days: 45
Date of Last EDR Contact: 12/14/04

SWRCY: Registered Recycling Facility List

Source: Department of Environmental Conservation
Telephone: 518-402-8705

A listing of recycling facilities.

Date of Government Version: 02/14/05
Date Made Active at EDR: 03/24/05
Database Release Frequency: Semi-Annually

Date of Data Arrival at EDR: 02/15/05
Elapsed ASTM days: 37
Date of Last EDR Contact: 02/14/05

SWTIRE: Registered Waste Tire Storage & Facility List

Source: Department of Environmental Conservation
Telephone: 518-402-8694

Date of Government Version: 04/01/04
Date Made Active at EDR: 06/25/04
Database Release Frequency: Annually

Date of Data Arrival at EDR: 05/19/04
Elapsed ASTM days: 37
Date of Last EDR Contact: 02/17/05

STATE OF NEW YORK ASTM SUPPLEMENTAL RECORDS

HSWDS: Hazardous Substance Waste Disposal Site Inventory

Source: Department of Environmental Conservation
Telephone: 518-402-9564

The list includes any known or suspected hazardous substance waste disposal sites. Also included are sites delisted from the Registry of Inactive Hazardous Waste Disposal Sites and non-Registry sites that U.S. EPA Preliminary Assessment (PA) reports or Site Investigation (SI) reports were prepared. Hazardous Substance Waste Disposal Sites are eligible to be Superfund sites now that the New York State Superfund has been refinanced and changed. This means that the study inventory has served its purpose and will no longer be maintained as a separate entity. The last version of the study inventory is frozen in time. The sites on the study will not automatically be made Superfund sites, rather each site will be further evaluated for listing on the Registry. So overtime they will be added to the registry or not.

GOVERNMENT RECORDS SEARCHED / DATA CURRENCY TRACKING

Date of Government Version: 09/01/02
Database Release Frequency: No Update Planned

Date of Last EDR Contact: 02/28/05
Date of Next Scheduled EDR Contact: 05/30/05

AST: Petroleum Bulk Storage
Source: Department of Environmental Conservation
Telephone: 518-402-9549
Registered Aboveground Storage Tanks.

Date of Government Version: 01/01/02
Database Release Frequency: No Update Planned

Date of Last EDR Contact: 01/24/05
Date of Next Scheduled EDR Contact: 04/25/05

CBS AST: Chemical Bulk Storage Database
Source: NYSDEC
Telephone: 518-402-9549

Facilities that store regulated hazardous substances in aboveground tanks with capacities of 185 gallons or greater, and/or in underground tanks of any size.

Date of Government Version: 01/01/02
Database Release Frequency: No Update Planned

Date of Last EDR Contact: 01/24/05
Date of Next Scheduled EDR Contact: 04/25/05

MOSF AST: Major Oil Storage Facilities Database
Source: NYSDEC

Telephone: 518-402-9549

Facilities that may be onshore facilities or vessels, with petroleum storage capacities of 400,000 gallons or greater.

Date of Government Version: 01/01/02
Database Release Frequency: No Update Planned

Date of Last EDR Contact: 01/24/05
Date of Next Scheduled EDR Contact: 04/25/05

SPILLS: Spills Information Database

Source: Department of Environmental Conservation
Telephone: 518-402-9549

Data collected on spills reported to NYSDEC as required by one or more of the following: Article 12 of the Navigation Law, 6 NYCRR Section 613.8 (from PBS regs), or 6 NYCRR Section 595.2 (from CBS regs). It includes spills active as of April 1, 1986, as well as spills occurring since this date.

Date of Government Version: 02/10/05
Database Release Frequency: Varies

Date of Last EDR Contact: 01/25/05
Date of Next Scheduled EDR Contact: 04/25/05

DEL SHWS: Delisted Registry Sites

Source: Department of Environmental Conservation
Telephone: 518-402-9622

A database listing of sites delisted from the Registry of Inactive Hazardous Waste Disposal Sites.

Date of Government Version: 04/01/04
Database Release Frequency: Annually

Date of Last EDR Contact: 02/24/05
Date of Next Scheduled EDR Contact: 05/23/05

DRYCLEANERS: Registered Drycleaners

Source: Department of Environmental Conservation
Telephone: 518-402-8403

A listing of all registered drycleaning facilities.

Date of Government Version: 06/15/04
Database Release Frequency: Varies

Date of Last EDR Contact: 05/21/04
Date of Next Scheduled EDR Contact: N/A

SPDES: State Pollutant Discharge Elimination System

Source: Department of Environmental Conservation
Telephone: 518-402-8233

New York State has a state program which has been approved by the United States Environmental Protection Agency for the control of wastewater and stormwater discharges in accordance with the Clean Water Act. Under New York State law the program is known as the State Pollutant Discharge Elimination System (SPDES) and is broader in scope than that required by the Clean Water Act in that it controls point source discharges to groundwaters as well as surface waters.

GOVERNMENT RECORDS SEARCHED / DATA CURRENCY TRACKING

Date of Government Version: 02/23/05
Database Release Frequency: No Update Planned

Date of Last EDR Contact: 02/07/05
Date of Next Scheduled EDR Contact: 05/09/05

AIRS: Air Emissions Data
Source: Department of Environmental Conservation
Telephone: 518-402-8452

Date of Government Version: 12/31/02
Database Release Frequency: Annually

Date of Last EDR Contact: 02/22/05
Date of Next Scheduled EDR Contact: 05/23/05

LOCAL RECORDS

CORTLAND COUNTY:

Cortland County Storage Tank Listing
Source: Cortland County Health Department
Telephone: 607-753-5035

Date of Government Version: 01/19/05
Database Release Frequency: Quarterly

Date of Last EDR Contact: 02/01/05
Date of Next Scheduled EDR Contact: 05/30/05

Cortland County Storage Tank Listing
Source: Cortland County Health Department
Telephone: 607-753-5035

Date of Government Version: 01/19/05
Database Release Frequency: Quarterly

Date of Last EDR Contact: 02/01/05
Date of Next Scheduled EDR Contact: 05/30/05

NASSAU COUNTY:

Registered Tank Database
Source: Nassau County Health Department
Telephone: 516-571-3314

Date of Government Version: 05/21/03
Database Release Frequency: No Update Planned

Date of Last EDR Contact: 02/01/05
Date of Next Scheduled EDR Contact: 05/02/05

Registered Tank Database
Source: Nassau County Health Department
Telephone: 516-571-3314

Date of Government Version: 05/21/03
Database Release Frequency: No Update Planned

Date of Last EDR Contact: 02/01/05
Date of Next Scheduled EDR Contact: 05/02/05

Storage Tank Database
Source: Nassau County Office of the Fire Marshal
Telephone: 516-572-1000

Date of Government Version: 05/25/04
Database Release Frequency: Varies

Date of Last EDR Contact: 02/18/05
Date of Next Scheduled EDR Contact: 05/09/05

Storage Tank Database
Source: Nassau County Office of the Fire Marshal
Telephone: 516-572-1000

Date of Government Version: 05/25/04
Database Release Frequency: Varies

Date of Last EDR Contact: 02/18/05
Date of Next Scheduled EDR Contact: 05/09/05

GOVERNMENT RECORDS SEARCHED / DATA CURRENCY TRACKING

ROCKLAND COUNTY:

Petroleum Bulk Storage Database

Source: Rockland County Health Department
Telephone: 914-364-2605

Date of Government Version: 01/26/05
Database Release Frequency: Quarterly

Date of Last EDR Contact: 01/03/05
Date of Next Scheduled EDR Contact: 04/04/05

Petroleum Bulk Storage Database

Source: Rockland County Health Department
Telephone: 914-364-2605

Date of Government Version: 01/26/05
Database Release Frequency: Quarterly

Date of Last EDR Contact: 01/03/05
Date of Next Scheduled EDR Contact: 04/04/05

SUFFOLK COUNTY:

Storage Tank Database

Source: Suffolk County Department of Health Services
Telephone: 631-854-2521

Date of Government Version: 04/16/04
Database Release Frequency: Annually

Date of Last EDR Contact: 03/01/05
Date of Next Scheduled EDR Contact: 05/30/05

Storage Tank Database

Source: Suffolk County Department of Health Services
Telephone: 631-854-2521

Date of Government Version: 04/16/04
Database Release Frequency: Annually

Date of Last EDR Contact: 03/01/05
Date of Next Scheduled EDR Contact: 05/30/05

WESTCHESTER COUNTY:

Listing of Storage Tanks

Source: Westchester County Department of Health
Telephone: 914-813-5161
Listing of underground storage tanks in Westchester County.

Date of Government Version: 02/15/05
Database Release Frequency: Varies

Date of Last EDR Contact: 02/28/05
Date of Next Scheduled EDR Contact: 05/30/05

Listing of Storage Tanks

Source: Westchester County Department of Health
Telephone: 914-813-5161
Listing of aboveground storage tanks in Westchester County.

Date of Government Version: 02/15/05
Database Release Frequency: Varies

Date of Last EDR Contact: 02/28/05
Date of Next Scheduled EDR Contact: 05/30/05

EDR PROPRIETARY HISTORICAL DATABASES

Former Manufactured Gas (Coal Gas) Sites: The existence and location of Coal Gas sites is provided exclusively to EDR by Real Property Scan, Inc. ©Copyright 1993 Real Property Scan, Inc. For a technical description of the types of hazards which may be found at such sites, contact your EDR customer service representative.

Disclaimer Provided by Real Property Scan, Inc.

The information contained in this report has predominantly been obtained from publicly available sources produced by entities other than Real Property Scan. While reasonable steps have been taken to insure the accuracy of this report, Real Property Scan does not guarantee the accuracy of this report. Any liability on the part of Real Property Scan is strictly limited to a refund of the amount paid. No claim is made for the actual existence of toxins at any site. This report does not constitute a legal opinion.

GOVERNMENT RECORDS SEARCHED / DATA CURRENCY TRACKING

BROWNFIELDS DATABASES

Brownfields: Brownfields Site List

Source: Department of Environmental Conservation
Telephone: 518-402-9764

Date of Government Version: 12/17/04
Database Release Frequency: Semi-Annually

Date of Last EDR Contact: 12/14/04
Date of Next Scheduled EDR Contact: 03/14/05

VCP: Voluntary Cleanup Agreements

Source: Department of Environmental Conservation
Telephone: 518-402-9711

The voluntary remedial program uses private monies to get contaminated sites remediated to levels allowing for the sites' productive use. The program covers virtually any kind of site and contamination.

Date of Government Version: 12/17/04
Database Release Frequency: Semi-Annually

Date of Last EDR Contact: 12/14/04
Date of Next Scheduled EDR Contact: 03/14/05

US BROWNFIELDS: A Listing of Brownfields Sites

Source: Environmental Protection Agency
Telephone: 202-566-2777

Included in the listing are brownfields properties addresses by Cooperative Agreement Recipients and brownfields properties addressed by Targeted Brownfields Assessments. Targeted Brownfields Assessments-EPA's Targeted Brownfields Assessments (TBA) program is designed to help states, tribes, and municipalities--especially those without EPA Brownfields Assessment Demonstration Pilots--minimize the uncertainties of contamination often associated with brownfields. Under the TBA program, EPA provides funding and/or technical assistance for environmental assessments at brownfields sites throughout the country. Targeted Brownfields Assessments supplement and work with other efforts under EPA's Brownfields Initiative to promote cleanup and redevelopment of brownfields. Cooperative Agreement Recipients-States, political subdivisions, territories, and Indian tribes become Brownfields Cleanup Revolving Loan Fund (BCRLF) cooperative agreement recipients when they enter into BCRLF cooperative agreements with the U.S. EPA. EPA selects BCRLF cooperative agreement recipients based on a proposal and application process. BCRLF cooperative agreement recipients must use EPA funds provided through BCRLF cooperative agreement for specified brownfields-related cleanup activities.

Date of Government Version: 01/10/05
Database Release Frequency: Semi-Annually

Date of Last EDR Contact: 03/14/05
Date of Next Scheduled EDR Contact: 06/13/05

US INST CONTROL: Sites with Institutional Controls

Source: Environmental Protection Agency
Telephone: 703-603-8867

A listing of sites with institutional controls in place. Institutional controls include administrative measures, such as groundwater use restrictions, construction restrictions, property use restrictions, and post remediation care requirements intended to prevent exposure to contaminants remaining on site. Deed restrictions are generally required as part of the institutional controls.

Date of Government Version: 01/10/05
Database Release Frequency: Varies

Date of Last EDR Contact: 04/04/05
Date of Next Scheduled EDR Contact: 07/04/05

OTHER DATABASE(S)

Depending on the geographic area covered by this report, the data provided in these specialty databases may or may not be complete. For example, the existence of wetlands information data in a specific report does not mean that all wetlands in the area covered by the report are included. Moreover, the absence of any reported wetlands information does not necessarily mean that wetlands do not exist in the area covered by the report.

Oil/Gas Pipelines: This data was obtained by EDR from the USGS in 1994. It is referred to by USGS as GeoData Digital Line Graphs from 1:100,000-Scale Maps. It was extracted from the transportation category including some oil, but primarily gas pipelines.

Electric Power Transmission Line Data

Source: PennWell Corporation
Telephone: (800) 823-6277

This map includes information copyrighted by PennWell Corporation. This information is provided on a best effort basis and PennWell Corporation does not guarantee its accuracy nor warrant its fitness for any particular purpose. Such information has been reprinted with the permission of PennWell.

GOVERNMENT RECORDS SEARCHED / DATA CURRENCY TRACKING

Sensitive Receptors: There are individuals deemed sensitive receptors due to their fragile immune systems and special sensitivity to environmental discharges. These sensitive receptors typically include the elderly, the sick, and children. While the location of all sensitive receptors cannot be determined, EDR indicates those buildings and facilities - schools, daycares, hospitals, medical centers, and nursing homes - where individuals who are sensitive receptors are likely to be located.

AHA Hospitals:

Source: American Hospital Association, Inc.

Telephone: 312-280-5991

The database includes a listing of hospitals based on the American Hospital Association's annual survey of hospitals.

Medical Centers: Provider of Services Listing

Source: Centers for Medicare & Medicaid Services

Telephone: 410-786-3000

A listing of hospitals with Medicare provider number, produced by Centers of Medicare & Medicaid Services, a federal agency within the U.S. Department of Health and Human Services.

Nursing Homes

Source: National Institutes of Health

Telephone: 301-594-6248

Information on Medicare and Medicaid certified nursing homes in the United States.

Public Schools

Source: National Center for Education Statistics

Telephone: 202-502-7300

The National Center for Education Statistics' primary database on elementary and secondary public education in the United States. It is a comprehensive, annual, national statistical database of all public elementary and secondary schools and school districts, which contains data that are comparable across all states.

Private Schools

Source: National Center for Education Statistics

Telephone: 202-502-7300

The National Center for Education Statistics' primary database on private school locations in the United States.

Daycare Centers: Day Care Providers

Source: Department of Health

Telephone: 212-676-2444

Flood Zone Data: This data, available in select counties across the country, was obtained by EDR in 1999 from the Federal Emergency Management Agency (FEMA). Data depicts 100-year and 500-year flood zones as defined by FEMA.

NWI: National Wetlands Inventory. This data, available in select counties across the country, was obtained by EDR in 2002 from the U.S. Fish and Wildlife Service.

New York State Wetlands

Source: Department of Environmental Conservation

Telephone: 518-402-8961

Coverages are based on official New York State Freshwater Wetlands Maps as described in Article 24-0301 of the Environmental Conservation Law.

STREET AND ADDRESS INFORMATION

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HURWITZ & FINE, P.C.

ATTORNEYS AT LAW

June 17, 2005

Erie County Industrial Development Agency
275 Oak Street
Buffalo, New York 14203

RE: Erie County Industrial Development Agency
(2005 Episcopal Church Home & Affiliates Life Care Community, Inc. Project)

Ladies and Gentlemen:

Our firm has acted as Agency counsel in connection with the above referenced matter.

Attached is our invoice for services rendered.

This letter will confirm that our firm has not provided legal services to any party other than the Erie County Industrial Development Agency in connection with this transaction.

Sincerely yours,

HURWITZ & FINE, P.C.

HURWITZ & FINE, P. C.

ATTORNEYS AT LAW
1300 Liberty Building
Buffalo, New York 14202
(716) 849-8900
TAX ID NO. 16-1085939

Erie County Industrial Development Agency
275 Oak Street
Buffalo, New York 14203

June 17, 2005

RE: 2005 Episcopal Church Home & Affiliates Life Care Community, Inc. Project
Our File No.: 2177.20042527

FOR ALL SERVICES RENDERED in connection with the execution by the Erie County Industrial Development Agency of its industrial development revenue lease (2005 Episcopal Church Home & Affiliates Life Care Community, Inc. Project), including, but not limited to: review of application and preparation of public hearing and inducement resolutions; preparation, negotiation and revisions to documents, including Amendment to Lease Agreement, Environmental Compliance and Indemnification Agreement, Amended Lease Memorandum, Amendment to PILOT Agreement, General Certificates, etc.; review of title documentation; review of organizational documents of the Company; review and comment to mortgage documents; office conferences with officers of ECIDA; numerous telephone conferences with attorneys for the Company and the Lender; meetings with Company counsel and Company representatives; and preparation for and attendance at closing.

TOTAL FOR SERVICES (As per fee schedule) \$20,000.00

Disbursements:

Long Distance Telephone	\$ 15.00
Federal Express Charges	\$ 60.00
Photocopying	\$520.00
Fax Charges	\$ 30.00
Binding Charges	<u>\$360.00</u>

Total Disbursements \$985.00

TOTAL \$20,985.00

Taxpayer ID # - Episcopal Church Home & Affiliates Life Care Community Inc.

16-1490676

**PROJECT LOAN MORTGAGE,
ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND
FIXTURE FILING**

made by

**EPISCOPAL CHURCH HOME & AFFILIATES
LIFE CARE COMMUNITY, INC.,**

as Mortgagor

and

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY,

as Owner

to

KEYBANK NATIONAL ASSOCIATION,

as Mortgagee

Lexington Village
Williamsville, New York

Dated as of June 17, 2005

PREPARED BY AND UPON RECORDATION RETURN TO:

Edwards & Angell, LLP
101 Federal Street
Boston, MA 02110
Attention: Susan E. Siebert, Esq.

PROJECT LOAN MORTGAGE,
ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND
FIXTURE FILING

Project Commonly Known as
"Lexington Village"

THIS PROJECT LOAN MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this "Mortgage") is made as of June __, 2005, by EPISCOPAL CHURCH HOME & AFFILIATES LIFE CARE COMMUNITY, INC., a New York not-for-profit corporation ("Mortgagor"), whose address is 705 Renaissance Drive, Williamsville, New York 14221, and by ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York ("Owner"), whose address is 275 Oak Street, Buffalo, New York 14203, in favor of KEYBANK NATIONAL ASSOCIATION, a national banking association, its successors and assigns ("Mortgagee"), whose address is 127 Public Square, Cleveland, Ohio 44114.

RECITALS:

(A) Pursuant to the terms and conditions of that certain Project Loan Agreement of even date herewith (as amended, restated or replaced from time to time, "Loan Agreement") between Mortgagor and Mortgagee, Mortgagee has agreed to loan to Mortgagor the principal amount of up to Two Million One Hundred Seventy Three Thousand Nine Hundred Twenty One and xx/100 Dollars (\$2,173,921.00) ("Loan"). The Loan is evidenced by that certain Project Loan Note of even date herewith (as amended, restated, consolidated or replaced from time to time, the "Note") made by Mortgagor to Mortgagee in the principal amount of up to \$2,173,921.00.

(B) A condition precedent to Mortgagee's extension of the Loan to Mortgagor is the execution and delivery by Mortgagor of this Mortgage.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagor and Owner hereby agree as follows:

1. **Grant and Secured Obligations.**

1.1 Grant. For the purpose of securing payment and performance of the Secured Obligations defined and described in Section 1.2 below, Mortgagor and Owner hereby irrevocably and unconditionally give, grant, bargain, sell, convey, mortgage, warrant, release, alien, remise, assign, transfer, hypothecate, pledge, set over and confirm to Mortgagee, with power of sale and with right of entry and possession, all estate, right, title and interest which Mortgagor now has or may later acquire in and to the following property (all or any part of such property, or any interest in all or any part of it, as the context may require, the "Property"):

(a) The real property located in the Town of Amherst, County of Erie, State of New York, as more particularly described in Exhibit A annexed hereto, together with all existing and future easements and rights affording access to it (the "Premises"); together with

(b) All buildings, structures and improvements now located or later to be constructed on the Premises (the "Improvements"); together with

(c) All existing and future appurtenances, privileges, easements, franchises and tenements of the Premises, including all minerals, oil, gas, other hydrocarbons and associated substances, sulphur, nitrogen, carbon dioxide, helium and other commercially valuable substances which may be in, under or produced from any part of the Premises, all development rights and credits, air rights, water, water rights (whether riparian, appropriative or otherwise, and whether or not appurtenant) and water stock, and any Premises lying in the streets, roads or avenues, open or proposed, in front of or adjoining the Premises and Improvements; together with

(d) All of that certain leasehold estate and all right, title, interest, privileges and options created under that certain lease agreement dated as of February 1, 1998 between the Owner, as lessor, and Mortgagor, as lessee as amended pursuant to a certain Amendment to Lease Agreement dated as of June 1, 2005 between Owner, as lessor, and Mortgagor, as lessee (such lease agreement, as same may be further amended, modified, extended or supplemented from time to time, the "Lease"), and all existing and future leases, subleases, subtenancies, licenses, occupancy agreements and concessions relating to the use and enjoyment of all or any part of the Premises and Improvements, and any and all guaranties and other agreements relating to or made in connection with any of such leases (collectively, the "leases"); together with

(e) All goods, materials, supplies, chattels, furniture, fixtures, equipment and machinery now or later to be attached to, placed in or on, or used in connection with the use, enjoyment, occupancy or operation of all or any part of the Premises and Improvements, whether stored on the Premises or elsewhere, including all pumping plants, engines, pipes, ditches and flumes, and also all gas, electric, cooking, heating, cooling, air conditioning, lighting, refrigeration and plumbing fixtures and equipment, all of which shall be considered to the fullest extent of the law to be real property for purposes of this Mortgage and any manufacturer's warranties with respect thereto; together with

(f) All building materials, equipment, work in process or other personal property of any kind, whether stored on the Premises or elsewhere, which have been or later will be acquired for the purpose of being delivered to, incorporated into or installed in or about the Premises or Improvements; together with

(g) All interest in and to all operating accounts, the Loan funds, whether disbursed or not, all reserves set forth in the Budget, all deferred fees set forth in the Budget, the Operating Account, and any other bank accounts of Mortgagor; together with

(h) All rights to the payment of money, accounts, accounts receivable, reserves, deferred payments, refunds, cost savings, payments and deposits, whether now or later to be received from third parties (including all earnest money sales deposits) or deposited by

Mortgagor with third parties (including all utility deposits), contract rights, development and use rights, governmental permits and licenses, applications, architectural and engineering plans, specifications and drawings, as-built drawings, chattel paper, instruments, documents, notes, drafts and letters of credit (other than letters of credit in favor of Mortgagee), which arise from or relate to construction on the Premises or to any business now or later to be conducted on it, or to the Premises and Improvements generally and any builder's or manufacturer's warranties with respect thereto; together with

(i) All insurance policies pertaining to the Premises and all proceeds, including all claims to and demands for them, of the voluntary or involuntary conversion of any of the Premises, Improvements or the other property described above into cash or liquidated claims, including proceeds of all present and future fire, hazard or casualty insurance policies and all condemnation awards or payments now or later to be made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any condemnation or eminent domain proceeding, and all causes of action and their proceeds for any damage or injury to the Premises, Improvements or the other property described above or any part of them, or breach of warranty in connection with the construction of the Improvements, including causes of action arising in tort, contract, fraud or concealment of a material fact; together with

(j) All of Mortgagor's rights in and to all Interest Rate Agreements; together with

(k) All books and records pertaining to any and all of the property described above, including computer-readable memory and any computer hardware or software necessary to access and process such memory ("Books and Records"); together with

(l) All proceeds of, additions and accretions to, substitutions and replacements for, and changes in any of the property described above.

(m) Provided, however, that the Agency's Reserved Rights, as defined in the Lease, are not included in the foregoing grant, conveyance and mortgage, shall not constitute a part of the Property and have not been mortgaged by Owner hereby.

Capitalized terms used above and elsewhere in this Mortgage without definition have the meanings given them in the Construction Loan Agreement dated as of the date hereof between Mortgagor and Mortgagee ("Construction Loan Agreement").

1.2 Secured Obligations.

(a) Mortgagor and Owner make the grant, conveyance, and mortgage set forth in Section 1.1 above, and grants the security interest set forth in Section 3 below for the purpose of securing the following obligations (the "Secured Obligations") in any order of priority that Mortgagee may choose:

(i) Payment of all obligations at any time owing under the Note; and

(ii) Payment and performance of all obligations under this Mortgage;
and

(iii) Payment and performance of all obligations of Mortgagor under the Loan Agreement; and

(iv) Payment and performance of all obligations of Mortgagor and Owner under any other Loan Documents (as hereinafter defined); and

(v) Payment and performance of all obligations of Mortgagor arising from any Interest Rate Agreements; and

(vi) Payment and performance of all future advances and other obligations that Mortgagor or any successor in ownership of all or part of the Property may agree to pay and/or perform (whether as principal, surety or guarantor) for the benefit of Mortgagee, when a writing evidences the parties' agreement that the advance or obligation be secured by this Mortgage; and

(vii) Payment and performance of all modifications, amendments, extensions, consolidations, restatements and renewals, however evidenced, of any of the Secured Obligations.

(b) The term "Loan Documents" means this Mortgage, the Note, the Loan Agreement and all of the other documents and instruments executed or delivered by Mortgagor in connection with the Loan except for the Construction Loan Documents (as hereinafter defined). All persons who may have or acquire an interest in all or any part of the Property will be considered to have notice of, and will be bound by, the terms of the Secured Obligations and each other agreement or instrument made or entered into in connection with each of the Secured Obligations. Such terms include any provisions in the Note or the Loan Agreement, or which provide that the interest rate on one or more of the Secured Obligations may vary from time to time.

2. **Assignment of Rents.**

2.1 **Assignment.** Mortgagor hereby irrevocably, absolutely, presently and unconditionally assigns to Mortgagee all rents, royalties, issues, profits, revenue, income, accounts, proceeds and other benefits of the Property (except for payments due Owner under the Lease) including, without limitation, those payable to Mortgagor under any leases, whether now due, past due or to become due, including all prepaid rents and security deposits (some or all collectively, as the context may require, "Rents"). This is an absolute assignment, not an assignment for security only.

2.2 **Grant of License.** Mortgagee hereby confers upon Mortgagor a license ("License") to collect and retain the Rents as they become due and payable, so long as no Event of Default, as defined in Section 6.2 below, shall exist and be continuing. If an Event of Default has occurred and is continuing, Mortgagee shall have the right, which it may choose to exercise in its sole discretion, to terminate this License without notice to or demand upon Mortgagor, and without regard to the adequacy of Mortgagee's security under this Mortgage.

2.3 **Collection and Application of Rents.** Subject to the License granted to Mortgagor under Section 2.2 above, Mortgagee has the right, power and authority to collect any and all

Rents. Mortgagor and Owner hereby appoint Mortgagee its attorney-in-fact to perform any and all of the following acts, if and at the times when Mortgagee in its sole discretion may so choose:

- (a) Demand, receive and enforce payment of any and all Rents; or
- (b) Give receipts, releases and satisfactions for any and all Rents; or
- (c) Sue either in the name of Mortgagor or Owner or in the name of Mortgagee for any and all Rents.

Mortgagee, Mortgagor and Owner agree that the mere recordation of the assignment granted herein entitles Mortgagee immediately to collect and receive rents upon the occurrence of an Event of Default, as defined in Section 6.2, without first taking any acts of enforcement under applicable law, such as, but not limited to, providing notice to Mortgagor or Owner, filing foreclosure proceedings, or seeking and/or obtaining the appointment of a receiver. Further, Mortgagee's right to the Rents does not depend on whether or not Mortgagee takes possession of the Property as permitted under Subsection 6.3(c). In Mortgagee's sole discretion, Mortgagee may choose to collect Rents either with or without taking possession of the Property. Mortgagee shall apply all Rents collected by it in the manner provided under Section 6.6. If an Event of Default occurs while Mortgagee is in possession of all or part of the Property and is collecting and applying Rents as permitted under this Mortgage, Mortgagee and any receiver shall nevertheless be entitled to exercise and invoke every right and remedy afforded any of them under this Mortgage and at law or in equity.

2.4 Mortgagee Not Responsible. Under no circumstances shall Mortgagee have any duty to produce Rents from the Property. Regardless of whether or not Mortgagee, in person or by agent, takes actual possession of the Premises and Improvements, unless Mortgagee agrees in writing to the contrary, Mortgagee is not and shall not be deemed to be:

- (a) A "mortgagee in possession" for any purpose; or
- (b) Responsible for performing any of the obligations of the lessor under any lease or sublessor under any sublease; or
- (c) Responsible for any waste committed by lessees or any other parties, any dangerous or defective condition of the Property, or any negligence in the management, upkeep, repair or control of the Property; or
- (d) Liable in any manner for the Property or the use, occupancy, enjoyment or operation of all or any part of it.

2.5 Leasing. Mortgagor shall not accept any deposit or prepayment of rents under the leases for any rental period exceeding one (1) month without Mortgagee's prior written consent. Mortgagor shall not lease the Property or any part of it except strictly in accordance with the Loan Agreement.

3. **Grant of Security Interest.**

3.1 **Security Agreement.** The parties intend for this Mortgage to create a lien on the Property, and an absolute assignment of the Rents, all in favor of Mortgagee. The parties acknowledge that some of the Property and some or all of the Rents may be determined under applicable law to be personal property or fixtures. To the extent that any Property or Rents may be or be determined to be personal property, Mortgagor and Owner as debtor hereby grant Mortgagee as secured party a security interest in all such Property and Rents, to secure payment and performance of the Secured Obligations. This Mortgage constitutes a security agreement under the Uniform Commercial Code of the State in which the Property is located, covering all such Property and Rents.

3.2 **Financing Statements.** Mortgagor and Owner hereby authorize Mortgagee to file one or more financing statements. In addition, Mortgagor and Owner shall execute such other documents as Mortgagee may from time to time require to perfect or continue the perfection of Mortgagee's security interest in any Property or Rents. As provided in Section 5.9 below, Mortgagor shall pay all fees and costs that Mortgagee may incur in filing such documents in public offices and in obtaining such record searches as Mortgagee may reasonably require. In case Mortgagor or Owner fails to execute any financing statements or other documents for the perfection or continuation of any security interest, Mortgagor and Owner hereby appoint Mortgagee as its true and lawful attorney-in-fact to execute any such documents on its behalf. If any financing statement or other document is filed in the records normally pertaining to personal property, that filing shall never be construed as in any way derogating from or impairing this Mortgage or the rights or obligations of the parties under it.

4. **Fixture Filing.**

This Mortgage constitutes a financing statement filed as a fixture filing under Article 9 of the Uniform Commercial Code in the State in which the Property is located, as amended or recodified from time to time, covering any Property which now is or later may become fixtures attached to the Premises or Improvements. For this purpose, the respective addresses of Mortgagor and Owner, as debtor, and Mortgagee, as secured party, are as set forth in the preambles of this Mortgage.

5. **Rights and Duties of the Parties.**

5.1 **Representations and Warranties.**

(a) Mortgagor represents and warrants that:

(i) Mortgagor lawfully possesses and holds a leasehold interest in the Premises in accordance with the Lease, and has not encumbered or assigned any of its business interests and rights, title or interest under, in and to the Lease, except pursuant to the Bond Documents;

(ii) Mortgagor has or will have good title to all Property in accordance with all of its right, title and interest under the Lease;

(iii) Mortgagor has the full and unlimited power, right and authority to encumber the Property and assign the Rents;

(iv) This Mortgage creates a co-first and prior lien on the Property, together with the lien created by the Bond Documents;

(v) The Property includes all property and rights which may be reasonably necessary or desirable to promote the present and any reasonable future beneficial use and enjoyment of the Premises and Improvements;

(vi) Mortgagor owns any Property which is personal property free and clear of any security agreements, reservations of title or conditional sales contracts, and there is no financing statement affecting such personal property on file in any public office, except pursuant to the Bond Documents; and

(vii) Mortgagor's place of business, or its chief executive office if it has more than one place of business, is located at the address specified below.

5.2 Taxes, and Assessments. Mortgagor shall pay prior to delinquency all taxes, levies, charges and assessments, in accordance with Section 15.1(h) of the Loan Agreement.

5.3 Performance of Secured Obligations. Mortgagor shall promptly pay and perform each Secured Obligation in accordance with its terms.

5.4 Liens, Charges and Encumbrances. Mortgagor shall immediately discharge any lien on the Property which Mortgagee has not consented to in writing in accordance with the provisions of the Loan Agreement.

5.5 Damages and Insurance and Condemnation Proceeds. In the event of any casualty or condemnation of the Property, the provisions of Article 16 of the Loan Agreement shall govern.

5.6 Maintenance and Preservation of Property.

(a) Mortgagor shall insure the Property as required by the Loan Agreement and keep the Property in good condition and repair.

(b) Neither Mortgagor nor Owner shall remove or demolish the Property or any part of it, or alter, restore or add to the Property, or initiate any change or variance in any zoning or other Premises use classification which affects the Property or any part of it, except as permitted or required by the Loan Agreement or as required by the Bond Documents or with Mortgagee's express prior written consent in each instance

(c) If all or part of the Property becomes damaged or destroyed, Mortgagor shall promptly and completely repair and/or restore the Property in a good and workmanlike manner in accordance with sound building practices, regardless of whether or not Mortgagee agrees to disburse Proceeds or other sums to pay costs of the work of repair or reconstruction under Article 16 of the Loan Agreement.

(d) Mortgagor shall not commit or allow any act upon or use of the Property which would violate: (i) any applicable Laws or order of any Governmental Authority, whether now existing or later to be enacted and whether foreseen or unforeseen; or (ii) any public or private covenant, condition, restriction or equitable servitude affecting the Property. Mortgagor shall not bring or keep any article on the Property or cause or allow any condition to exist on it, if that could invalidate or would be prohibited by any insurance coverage required to be maintained on the Property or any part of it under the Loan Agreement.

(e) Mortgagor shall not commit or allow waste of the Property, including those acts or omissions characterized under the Loan Agreement as waste which arises out of Hazardous Material.

(f) Mortgagor shall perform all other acts which from the character or use of the Property may be reasonably necessary to maintain and preserve its value.

5.7 Releases, Extensions, Modifications and Additional Security. From time to time, Mortgagee may perform any of the following acts without incurring any liability or giving notice to any person:

(a) Release any person liable for payment of any Secured Obligation;

(b) Extend the time for payment, or otherwise alter the terms of payment, of any Secured Obligation;

(c) Accept additional real or personal property of any kind as security for any Secured Obligation, whether evidenced by deeds of trust, mortgages, security agreements or any other instruments of security;

(d) Alter, substitute or release any property securing the Secured Obligations;

(e) Consent to the making of any plat or map of the Property or any part of it;

(f) Join in granting any easement or creating any restriction affecting the Property; or

(g) Join in any subordination or other agreement affecting this Mortgage or the lien of it; or

(h) Release the Property or any part of it.

5.8 Release. When all of the Secured Obligations have been paid in full and all fees and other sums owed by Mortgagor under Section 5.9 of this Mortgage and the other Loan Documents have been received, Mortgagee shall release and discharge this Mortgage of record, the lien created thereby, and all notes and instruments evidencing the Secured Obligations. Mortgagor shall pay any costs of preparation and recordation of such release and discharge.

5.9 Compensation, Exculpation, Indemnification.

(a) Mortgagor agrees to pay such reasonable fees as may be charged by Mortgagee pursuant to the express provisions of this Mortgage and the Construction Loan Agreement, including Mortgagee's providing a statement of the Secured Obligations or providing the release pursuant to Section 5.8 above. Mortgagor shall also pay or reimburse all of Mortgagee's costs and expenses which may be incurred in rendering any such services. Mortgagor further agrees to pay or reimburse Mortgagee for all costs, expenses and other advances which may be incurred or made by Mortgagee in any efforts to enforce any terms of this Mortgage, including any rights or remedies afforded to Mortgagee under Section 6.3, whether any lawsuit is filed or not, or in defending any action or proceeding arising under or relating to this Mortgage, including attorneys' fees and other legal costs, costs of any Foreclosure Sale (as defined in Subsection 6.3(i) below) and any cost of evidence of title. If Mortgagee chooses to dispose of Property through more than one Foreclosure Sale, Mortgagor shall pay all costs, expenses or other advances that may be incurred or made by Mortgagee in each of such Foreclosure Sales. In any suit to foreclose the lien hereof or enforce any other remedy of Mortgagee under this Mortgage or the Note, there shall be allowed and included as additional indebtedness in the decree for sale or other judgment or decree all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' costs and fees (including the costs and fees of paralegals), survey charges, appraiser's fees, inspecting engineer's and/or architect's fees, fees for environmental studies and assessments and all additional expenses incurred by Mortgagee with respect to environmental matters, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to title as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to, the value of or the environmental condition of the Property. All expenditures and expenses of the nature in this Subsection mentioned, and such expenses and fees as may be incurred in the protection of the Property and maintenance of the lien of this Mortgage, including the fees of any attorney (including the costs and fees of paralegals) employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Note or the Property, including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Mortgagor, with interest thereon at the Default Rate and shall be secured by this Mortgage.

(b) Mortgagee shall not be directly or indirectly liable to Mortgagor, Owner or any other person as a consequence of any of the following:

(i) Mortgagee's exercise of or failure to exercise any rights, remedies or powers granted to Mortgagee in this Mortgage;

(ii) Mortgagee's failure or refusal to perform or discharge any obligation or liability of Mortgagor under any agreement related to the Property or under this Mortgage; or

(iii) Any loss sustained by Mortgagor or Owner or any third party resulting from Mortgagee's failure to lease the Property, or from any other act or omission of Mortgagee in managing the Property, after an Event of Default, unless the loss is caused by the willful misconduct and bad faith of Mortgagee.

Mortgagor and Owner hereby expressly waive and release all liability of the types described above, and agree that no such liability shall be asserted against or imposed upon Mortgagee.

(c) Mortgagor agrees to indemnify Mortgagee against and hold it harmless from all losses, damages, liabilities, claims, causes of action, judgments, court costs, attorneys' fees and other legal expenses, cost of evidence of title, cost of evidence of value, and other costs and expenses which it may suffer or incur:

(i) In performing any act required or permitted by this Mortgage or any of the other Loan Documents or by law;

(ii) Because of any failure of Mortgagor to perform any of its obligations; or

(iii) Because of any alleged obligation of or undertaking by Mortgagee to perform or discharge any of the representations, warranties, conditions, covenants or other obligations in any document relating to the Property other than the Loan Documents.

This agreement by Mortgagor to indemnify Mortgagee shall survive the release and cancellation of any or all of the Secured Obligations and the full or partial release of this Mortgage.

(d) Mortgagor shall pay all obligations to pay money arising under this Section 5.9 immediately upon demand by Mortgagee. Each such obligation shall be added to, and considered to be part of, the principal of the Note, and shall bear interest from the date the obligation arises at the Default Rate.

5.10 Defense and Notice of Claims and Actions. At Mortgagor's sole expense, Mortgagor shall protect, preserve and defend the Property and title to and right of possession of the Property, and the security of this Mortgage and the rights and powers of Mortgagee created under it, against all adverse claims. Mortgagor shall give Mortgagee prompt notice in writing if any claim is asserted which does or could affect any such matters, or if any action or proceeding is commenced which alleges or relates to any such claim.

5.11 Subrogation. Mortgagee shall be subrogated to the liens of all encumbrances, whether released of record or not, which are discharged in whole or in part by Mortgagee in accordance with this Mortgage or with the proceeds of any loan secured by this Mortgage.

5.12 Site Visits, Observation and Testing. After first providing reasonable notice, except in an emergency, as determined by Mortgagee, Mortgagee and its agents and representatives shall have the right at any reasonable time to enter and visit the Property for the

purpose of performing appraisals, observing the Property, taking and removing soil or groundwater samples, and conducting tests on any part of the Property, provided that there is a reasonable basis for doing so or at any time after an Event of Default. Mortgagee has no duty, however, to visit or observe the Property or to conduct tests, and no site visit, observation or testing by Mortgagee, its agents or representatives shall impose any liability on any of Mortgagee, its agents or representatives. In no event shall any site visit, observation or testing by Mortgagee, its agents or representatives be a representation that Hazardous Material are or are not present in, on or under the Property, or that there has been or shall be compliance with any law, regulation or ordinance pertaining to Hazardous Material or any other applicable governmental law. Neither Mortgagor, Owner nor any other party is entitled to rely on any site visit, observation or testing by any of Mortgagee, its agents or representatives. Except as expressly set forth in this Mortgage, neither Mortgagee, its agents or representatives owe any duty of care to protect Mortgagor, Owner or any other party against, or to inform Mortgagor, Owner or any other party of, any Hazardous Material or any other adverse condition affecting the Property. Mortgagee shall make reasonable efforts to avoid interfering with Mortgagor's use of the Property in exercising any rights provided in this Section 5.12.

5.13 Notice of Change. Mortgagor shall give Mortgagee prior written notice of any change in: (a) the location of its place of business or its chief executive office if it has more than one place of business; (b) the location of any of the Property, including the Books and Records; and (c) Mortgagor's name or business structure. Unless otherwise approved by Mortgagee in writing, all Property that consists of personal property (other than the Books and Records) will be located on the Premises and all Books and Records will be located at Mortgagor's place of business or chief executive office if Mortgagor has more than one place of business.

6. Accelerating Transfers, Default and Remedies.

6.1 Accelerating Transfers.

(a) "Accelerating Transfer" means any Transfer not expressly permitted under the Loan Agreement.

(b) Mortgagor acknowledges that Mortgagee is making one or more advances under the Loan Agreement in reliance on the expertise, skill and experience of Mortgagor and upon Owner's involvement in the project; thus, the Secured Obligations include material elements similar in nature to a personal service contract. In consideration of Mortgagee's reliance, Mortgagor agrees that no Accelerating Transfer shall occur, unless the transfer is preceded by Mortgagee's express written consent to the particular transaction and transferee. Mortgagee may withhold such consent in its sole discretion. If any Accelerating Transfer occurs, Mortgagee in its sole discretion may declare all of the Secured Obligations to be immediately due and payable, and Mortgagee may invoke any rights and remedies provided by Section 6.3 of this Mortgage.

(c) Nothing contained herein shall restrict the right of the Owner to transfer its interest in the Property to Mortgagor, as provided for in the Lease.

6.2 Events of Default. There shall be a default under this Mortgage upon the occurrence of any one or more of the following events (some or all collectively, "Events of Default," any one singly, an "Event of Default").

(a) Failure (i) (x) of Mortgagor to pay any of the principal of the Loan when due, (y) of Mortgagor to pay interest within seven (7) Business Days after the date when due or (z) of Mortgagor to observe or perform any of the other covenants or conditions by Mortgagor to be performed under the terms of this Mortgage or any of the other Loan Documents concerning the payment of money for a period of ten (10) days after written notice from Mortgagee that the same is due and payable; or (ii) of Mortgagor for a period of thirty (30) days after written notice from Mortgagee, to observe or perform any non-monetary covenant or condition contained in this Mortgage or any of the other Loan Documents; provided that if any such failure concerning a non-monetary covenant or condition is susceptible to cure but cannot reasonably be cured within said thirty (30) day period, then Mortgagor shall have an additional sixty (60) day period to cure such failure and no Event of Default shall be deemed to exist hereunder so long as (x) Mortgagor commences such cure within the initial thirty (30) day period and diligently and in good faith pursues such cure to completion within such resulting ninety (90) day period from the date of Mortgagee's notice, and (y) the existence of such uncured default will not result in any tenant under a lease having the right to terminate such lease, or result in a default under the Lease, due to such uncured default; and provided further that if a different notice or grace period is specified under Article 19 of the Loan Agreement (or elsewhere in this Mortgage or the Loan Agreement) in which such particular breach will become an Event of Default, the specific provision shall control;

(b) An "Event of Default" occurs under the Loan Agreement or any other Loan Document; or

(c) An "Event of Default" occurs under any of the Construction Loan Documents (as hereinafter defined). The term "Construction Loan Documents" means, collectively, all of the documents and instruments executed or delivered by Mortgagor and/or Owner to Mortgagee in connection with that certain construction loan of even date herewith made by Mortgagee to Mortgagor in the principal amount of up to \$11,356,079.00, including without limitation, that certain Construction Loan Mortgage, Assignment of Rents, Security Agreement and Fixture Filing of even date herewith made by Mortgagor and Owner to Mortgagee (the "Construction Loan Mortgage").

6.3 Remedies. At any time after an Event of Default, Mortgagee shall be entitled to invoke any and all of the rights and remedies described below, in addition to all other rights and remedies available to Mortgagee at law or in equity. All of such rights and remedies shall be cumulative, and the exercise of any one or more of them shall not constitute an election of remedies.

(a) Acceleration. Mortgagee may declare any or all of the Secured Obligations to be due and payable immediately.

(b) Receiver. Mortgagee shall, as a matter of right, without notice and without giving bond to Mortgagor, Owner or anyone claiming by, under or through Mortgagor or Owner, and

without regard for the solvency or insolvency of Mortgagor or Owner or the then value of the Property, to the extent permitted by applicable law, be entitled to have a receiver appointed for all or any part of the Property and the Rents, and the proceeds, issues and profits thereof, with the rights and powers referenced below and such other rights and powers as the court making such appointment shall confer, and Mortgagor and Owner hereby consent to the appointment of such receiver and shall not oppose any such appointment. Such receiver shall have all powers and duties prescribed by applicable law, all other powers which are necessary or usual in such cases for the protection, possession, control, management and operation of the Property, and such rights and powers as Mortgagee would have, upon entering and taking possession of the Property under subsection (c) below.

(c) Entry. Mortgagee, in person, by agent or by court-appointed receiver, may enter, take possession of, manage and operate all or any part of the Property, and may also do any and all other things in connection with those actions that Mortgagee may in its sole discretion consider necessary and appropriate to protect the security of this Mortgage. Such other things may include: taking and possessing all of Mortgagor's or the then owner's Books and Records; entering into, enforcing, modifying or canceling leases (other than the Lease) on such terms and conditions as Mortgagee may consider proper; obtaining and evicting tenants; fixing or modifying Rents; collecting and receiving any payment of money owing to Mortgagee; completing any unfinished construction; and/or contracting for and making repairs and alterations. If Mortgagee so requests, Mortgagor shall assemble all of the Property that has been removed from the Premises and make all of it available to Mortgagee at the site of the Premises. Mortgagor and Owner hereby irrevocably constitute and appoint Mortgagee as Mortgagor's and Owner's attorney-in-fact to perform such acts and execute such documents as Mortgagee in its sole discretion may consider to be appropriate in connection with taking these measures, including endorsement of Mortgagor's name on any instruments.

(d) Cure; Protection of Security. Mortgagee may cure any breach or default of Mortgagor or Owner (without any right of subrogation against Owner), and if it chooses to do so in connection with any such cure, Mortgagee may also enter the Property and/or do any and all other things which it may in its sole discretion consider necessary and appropriate to protect the security of this Mortgage, including, without limitation, completing construction of the improvements at the Property contemplated by the Loan Agreement. Such other things may include: appearing in and/or defending any action or proceeding which purports to affect the security of, or the rights or powers of Mortgagee under, this Mortgage; paying, purchasing, contesting or compromising any encumbrance, charge, lien or claim of lien which in Mortgagee's sole judgment is or may be senior or equal in priority to this Mortgage, such judgment of Mortgagee or to be conclusive as among the parties to this Mortgage; obtaining insurance and/or paying any premiums or charges for insurance required to be carried under the Loan Agreement; otherwise caring for and protecting any and all of the Property; and/or employing counsel, accountants, contractors and other appropriate persons to assist Mortgagee. Mortgagee may take any of the actions permitted under this Subsection 6.3(d) either with or without giving notice to any person. Any amounts expended by Mortgagee under this Subsection 6.3(d) shall be secured by this Mortgage.

(e) Uniform Commercial Code Remedies. Mortgagee may exercise any or all of the remedies granted to a secured party under the Uniform Commercial Code in the State in which the Property is located.

(f) Foreclosure; Lawsuits. Mortgagee shall have the right, in one or several concurrent or consecutive proceedings, to foreclose the lien hereof upon the Property or any part thereof, for the Secured Obligations, or any part thereof, by any proceedings appropriate under applicable law. Mortgagee or its nominee may bid and become the purchaser of all or any part of the Property at any foreclosure or other sale hereunder, and the amount of Mortgagee's successful bid shall be credited on the Secured Obligations. Without limiting the foregoing, Mortgagee may proceed by a suit or suits in law or equity, whether for specific performance of any covenant or agreement herein contained or in aid of the execution of any power herein granted, or for any foreclosure under the judgment or decree of any court of competent jurisdiction. In addition to the right provided in Subsection 6.3(a), upon, or at any time after the filing of a complaint to foreclose this Mortgage, Mortgagee shall be entitled to the appointment of a receiver of the Property by the court in which such complaint is filed, and Mortgagor and Owner hereby consent to such appointment.

(g) Other Remedies. Mortgagee may exercise all rights and remedies contained in any other instrument, document, agreement or other writing heretofore, concurrently or in the future executed by Mortgagor or any other person or entity in favor of Mortgagee in connection with the Secured Obligations or any part thereof, without prejudice to the right of Mortgagee thereafter to enforce any appropriate remedy against Mortgagor. Mortgagee shall have the right to pursue all remedies afforded to a mortgagee under applicable law, and shall have the benefit of all of the provisions of such applicable law, including all amendments thereto which may become effective from time to time after the date hereof.

(h) Sale of Personal Property. Mortgagee shall have the discretionary right to cause some or all of the Property, which constitutes personal property, to be sold or otherwise disposed of in any combination and in any manner permitted by applicable law.

(i) For purposes of this power of sale, Mortgagee may elect to treat as personal property any Property which is intangible or which can be severed from the Premises or Improvements without causing structural damage. If it chooses to do so, Mortgagee may dispose of any personal property, in any manner permitted by Article 9 of the Uniform Commercial Code of the State in which the Property is located, including any public or private sale, or in any manner permitted by any other applicable law.

(ii) In connection with any sale or other disposition of such Property, Mortgagor and Owner agree that the following procedures constitute a commercially reasonable sale: Mortgagee shall mail written notice of the sale to Mortgagor and Owner not later than thirty (30) days prior to such sale. Mortgagee will publish notice of the sale in a local daily newspaper of general circulation. Upon receipt of any written request, Mortgagee will make the Property available to any bona fide prospective purchaser for inspection during reasonable business hours. Notwithstanding, Mortgagee shall be under no

obligation to consummate a sale if, in its judgment, none of the offers received by it equals the fair value of the Property offered for sale. The foregoing procedures do not constitute the only procedures that may be commercially reasonable.

(i) Single or Multiple Foreclosure Sales. If the Property consists of more than one lot, parcel or item of property, Mortgagee may:

(i) Designate the order in which the lots, parcels and/or items shall be sold or disposed of or offered for sale or disposition; and

(ii) Elect to dispose of the lots, parcels and/or items through a single consolidated sale or disposition to be held or made under or in connection with judicial proceedings, or by virtue of a judgment and decree of foreclosure and sale; or through two or more such sales or dispositions; or in any other manner Mortgagee may deem to be in its best interests (any such sale or disposition, a "Foreclosure Sale;" and any two or more, "Foreclosure Sales").

If Mortgagee chooses to have more than one Foreclosure Sale, Mortgagee at its option may cause the Foreclosure Sales to be held simultaneously or successively, on the same day, or on such different days and at such different times and in such order as Mortgagee may deem to be in its best interests. No Foreclosure Sale shall terminate or affect the liens of this Mortgage on any part of the Property which has not been sold, until all of the Secured Obligations have been paid in full.

(j) Power of Sale. Mortgagee may exercise any rights under Article 14 of the Real Property Actions and Proceedings Law of the State of New York with respect to the Property or any portion thereof.

6.4 Credit Bids. At any Foreclosure Sale, any person, including Mortgagor or Mortgagee, may bid for and acquire the Property or any part of it to the extent permitted by then applicable law. Instead of paying cash for such property, Mortgagee may settle for the purchase price by crediting the sales price of the property against the following obligations:

(a) First, the portion of the Secured Obligations attributable to the expenses of sale, costs of any action and any other sums for which Mortgagor is obligated to pay or reimburse Mortgagee under Section 5.9 of this Mortgage; and

(b) Second, all other Secured Obligations in any order and proportions as Mortgagee in its sole discretion may choose.

6.5 Application of Foreclosure Sale Proceeds. Mortgagee shall apply the proceeds of any Foreclosure Sale in the following manner:

(a) First, to pay the portion of the Secured Obligations attributable to the expenses of sale, costs of any action and any other sums for which Mortgagor is obligated to reimburse Mortgagee under Section 5.9 of this Mortgage;

(b) Second, to pay the portion of the Secured Obligations attributable to any sums expended or advanced by Mortgagee under the terms of this Mortgage which then remain unpaid;

(c) Third, to pay all other Secured Obligations in any order and proportions as Mortgagee in its sole discretion may choose; and

(d) Fourth, to remit the remainder, if any, to the person or persons entitled to it.

6.6 Application of Rents and Other Sums. Mortgagee shall apply any and all Rents collected by it, and any and all sums other than proceeds of a Foreclosure Sale which Mortgagee may receive or collect under Section 6.3 above, in the following manner:

(a) First, to pay the portion of the Secured Obligations attributable to the costs and expenses of operation and collection that may be incurred by Mortgagee or any receiver;

(b) Second, to pay all other Secured Obligations in any order and proportions as Mortgagee in its sole discretion may choose; and

(c) Third, to remit the remainder, if any, to the person or persons entitled to it.

Mortgagee shall have no liability for any funds which it does not actually receive.

7. Miscellaneous Provisions.

7.1 Additional Provisions. The Loan Documents fully state all of the terms and conditions of the parties' agreement regarding the matters mentioned in or incidental to this Mortgage. The Loan Documents also grant further rights to Mortgagee and contain further agreements and affirmative and negative covenants by Mortgagor which apply to this Mortgage and to the Property.

7.2 No Waiver or Cure.

(a) Each waiver by Mortgagee must be in writing, and no waiver shall be construed as a continuing waiver. No waiver shall be implied from any delay or failure by Mortgagee to take action on account of any default of Mortgagor or Owner. Consent by Mortgagee to any act or omission by Mortgagor or Owner shall not be construed as a consent to any other or subsequent act or omission or to waive the requirement for Mortgagee's consent to be obtained in any future or other instance.

(b) If any of the events described below occurs, that event alone shall not: cure or waive any breach, Event of Default or notice of default under this Mortgage or invalidate any act performed pursuant to any such default or notice; or nullify the effect of any notice of default or sale (unless all Secured Obligations then due have been paid and performed and all other defaults under the Loan Documents have been cured); or impair the security of this Mortgage; or prejudice Mortgagee or any receiver in the exercise of any right or remedy afforded any of them under this Mortgage; or be construed as an affirmation by Mortgagee of any tenancy, lease or option, or a subordination of the lien of this Mortgage.

(i) Mortgagee, its agent or a receiver takes possession of all or any part of the Property in the manner provided in Subsection 6.3(c).

(ii) Mortgagee collects and applies Rents as permitted under Sections 2.3 and 6.6 above, either with or without taking possession of all or any part of the Property.

(iii) Mortgagee receives and applies to any Secured Obligation any proceeds of any Property, including any proceeds of insurance policies, condemnation awards, or other claims, property or rights assigned to Mortgagee under Section 5.5 above.

(iv) Mortgagee makes a site visit, observes the Property and/or conducts tests as permitted under Section 5.12 above.

(v) Mortgagee receives any sums under this Mortgage or any proceeds of any collateral held for any of the Secured Obligations, and applies them to one or more Secured Obligations.

(vi) Mortgagee or any receiver invokes any right or remedy provided under this Mortgage.

7.3 Powers of Mortgagee.

(a) If Mortgagee performs any act which it is empowered or authorized to perform under this Mortgage, including any act permitted by Section 5.7 or Subsection 6.3(d) of this Mortgage, that act alone shall not release or change the personal liability of any person for the payment and performance of the Secured Obligations then outstanding, or the lien of this Mortgage on all or the remainder of the Property for full payment and performance of all outstanding Secured Obligations. The liability of the original Mortgagor shall not be released or changed if Mortgagee grants any successor in interest to Mortgagor any extension of time for payment, or modification of the terms of payment, of any Secured Obligation. Mortgagee shall not be required to comply with any demand by the original Mortgagor that Mortgagee refuse to grant such an extension or modification to, or commence proceedings against, any such successor in interest.

(b) Mortgagee may take any of the actions permitted under Subsections 6.3(b) and/or 6.3(c) regardless of the adequacy of the security for the Secured Obligations, or whether any or all of the Secured Obligations have been declared to be immediately due and payable, or whether notice of default and election to sell has been given under this Mortgage.

(c) From time to time, Mortgagee may apply to any court of competent jurisdiction for aid and direction in executing and enforcing the rights and remedies created under this Mortgage. Mortgagee may from time to time obtain orders or decrees directing, confirming or approving acts in executing and enforcing these rights and remedies.

7.4 Merger. No merger shall occur as a result of Mortgagee's acquiring any other estate in or any other lien on the Property or if Mortgagee acquires fee simple title to the

Premises and Improvements and the lessee's interest under the Lease unless Mortgagee consents to a merger in writing.

7.5 Joint and Several Liability. If Mortgagor consists of more than one person, each shall be jointly and severally liable for the faithful performance of all of Mortgagor's obligations under this Mortgage. Under no circumstances shall the term Mortgagor include Owner.

7.6 Applicable Law. This Mortgage shall be governed by, and construed in accordance with, the laws of the State of New York.

7.7 Successors in Interest. The terms, covenants and conditions of this Mortgage shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties. However, this Section 7.7 does not waive the provisions of Section 6.1 above.

7.8 Interpretation.

(a) Whenever the context requires, all words used in the singular will be construed to have been used in the plural, and vice versa, and each gender will include any other gender. The captions of the sections of this Mortgage are for convenience only and do not define or limit any terms or provisions. The word "include(s)" means "include(s), without limitation," and the word "including" means "including, but not limited to."

(b) The word "obligations" is used in its broadest and most comprehensive sense, and includes all primary, secondary, direct, indirect, fixed and contingent obligations. It further includes all principal, interest, prepayment charges, late charges, loan fees and any other fees and charges accruing or assessed at any time, as well as all obligations to perform acts or satisfy conditions.

(c) No listing of specific instances, items or matters in any way limits the scope or generality of any language of this Mortgage. The Exhibits to this Mortgage are hereby incorporated in this Mortgage.

7.9 In-House Counsel Fees. Whenever Mortgagor is obligated to pay or reimburse Mortgagee for any attorneys' fees, those fees shall include the allocated reasonable costs for services of in-house counsel.

7.10 Waiver of Statutory Rights. To the extent permitted by law, Mortgagor and Owner hereby agree that they shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Mortgagor and Owner for itself and all who may claim through or under them waive any and all right to have the property and estates comprising the Property marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Property sold as an entirety. Mortgagor and Owner hereby waive any and all rights of redemption from sale under any judgment of foreclosure of this Mortgage on behalf of Mortgagor and Owner and on behalf of each and every person acquiring any interest in or title to the Property of any nature whatsoever,

subsequent to the date of this Mortgage. The foregoing waiver of right of redemption is made pursuant to the provisions of applicable law.

7.11 Severability. If any provision of this Mortgage should be held unenforceable or void, that provision shall be deemed severable from the remaining provisions and shall in no way affect the validity of this Mortgage except that if such provision relates to the payment of any monetary sum, then Mortgagee may, at its option, declare all Secured Obligations immediately due and payable.

7.12 Notices. Any notice, demand, request or other communication which any party hereto may be required or may desire to give hereunder shall be in writing and shall be deemed to have been properly given (a) if hand delivered, when delivered; (b) if mailed by United States Certified Mail (postage prepaid, return receipt requested), three Business Days after mailing (c) if by Federal Express or other reliable overnight courier service, on the next Business Day after delivered to such courier service or (d) if by telecopier on the day of transmission so long as copy is sent on the same day by overnight courier as set forth below:

Mortgagor: Episcopal Church Home & Affiliates Life Care Community, Inc.
705 Renaissance Drive
Williamsville, New York 14221
Attention: Edward C. Weeks, President/CEO
Telephone: (716) 929-5801
Facsimile: (716) 884-6116

With a copy to: Phillips Lytle LLP
3400 HSBC Center
Buffalo, NY 14203
Attention: John A. Pappano, Esq.
Telephone: (716) 847-5404
Facsimile: (716) 852-6100

Owner: Erie County Industrial Development Agency
275 Oak Street
Buffalo, New York 14203
Attn: President/CEO/Executive Director
Telephone: (716)-856-6525
Facsimile: (716)-856-6754

With a copy to: Hurwitz & Fine, P.C.
1300 Liberty Building
Buffalo, NY 14202-3670
Attn: Robert P. Fine, Esq.
Telephone: (716) 849-8900
Facsimile: (716) 855-0874

Mortgagee: KeyBank National Association
127 Public Square
Cleveland, Ohio 44114
Attention: Real Estate Capital Client Services
Telephone: 216-689-7573
Facsimile: 216-689-5970

With a copy to: Edwards & Angell, LLP
101 Federal Street
Boston, MA 02110
Attention: Susan Siebert, Esq.
Telephone: 617-951-2220
Facsimile: 617-439-4170

or at such other address as the party to be served with notice may have furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice.

Any notice or demand delivered to the person or entity named above to accept notices and demands for Mortgagor or Owner shall constitute notice or demand duly delivered to Mortgagor or Owner, as the case may be, even if delivery is refused.

7.13 Maximum Amount Secured. Notwithstanding anything contained herein to the contrary, the maximum amount of indebtedness secured by this Mortgage at execution or which under any contingency may become secured hereby at any time hereafter is \$2,173,921.00, plus (i) all interest accrued thereon (including all interest of the regular interest rate and interest of the default interest rate), (ii) all late charges related thereto, (iii) taxes, charges or assessments which may be imposed by law upon the Premises, (iv) premiums on insurance policies covering the Premises, and (v) expenses incurred in upholding the lien of this Mortgage, including, but not limited to (1) the expenses of any litigation to prosecute or defend the rights and lien created by this Mortgage, and (2) any amount, cost or charges to which the Mortgagee becomes subrogated, upon payment, whether under recognized principles of law or equity, or under express statutory authority.

7.14 Mortgagee's Lien for Service Charge and Expenses. At all times, regardless of whether any Loan proceeds have been disbursed, this Mortgage secures (in addition to any Loan proceeds disbursed from time to time) the payment of any and all loan commissions, service charges, liquidated damages, expenses and advances due to or incurred by Mortgagee not to exceed the maximum amount secured hereby. For purposes hereof, all obligations of Mortgagor to Mortgagee under all Interest Rate Agreements and any indebtedness or obligation contained therein or evidenced thereby shall be considered an obligation of Mortgagor secured hereby.

7.15 WAIVER OF TRIAL BY JURY. MORTGAGOR AND OWNER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT THAT THEY MAY HAVE TO A TRIAL BY JURY IN ANY LITIGATION ARISING IN ANY WAY IN CONNECTION WITH THIS MORTGAGE, THE NOTE, OR ANY OF THE OTHER LOAN DOCUMENTS, THE LOAN OR ANY OTHER STATEMENTS OR ACTIONS OF MORTGAGOR, OWNER OR MORTGAGEE. MORTGAGOR AND OWNER

ACKNOWLEDGE THAT THEY HAVE BEEN REPRESENTED IN THE SIGNING OF THIS MORTGAGE AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL SELECTED OF THEIR OWN FREE WILL, AND THAT THEY HAVE DISCUSSED THIS WAIVER WITH SUCH LEGAL COUNSEL. MORTGAGOR AND OWNER FURTHER ACKNOWLEDGE THAT (i) THEY HAVE READ AND UNDERSTAND THE MEANING AND RAMIFICATIONS OF THIS WAIVER, (ii) THIS WAIVER IS A MATERIAL INDUCEMENT FOR MORTGAGEE TO MAKE THE LOAN, ENTER INTO THIS MORTGAGE AND EACH OF THE OTHER LOAN DOCUMENTS, AND (iii) THIS WAIVER SHALL BE EFFECTIVE AS TO EACH OF SUCH OTHER LOAN DOCUMENTS AS IF FULLY INCORPORATED THEREIN.

7.16 Inconsistencies. In the event of any inconsistency between this Mortgage and the Loan Agreement, the terms hereof shall be controlling as necessary to create, preserve and/or maintain a valid security interest upon the Property, and the terms of Section 7.25 of this Mortgage shall be controlling, otherwise the provisions of the Loan Agreement shall be controlling.

7.17 UCC Financing Statements. Mortgagor and Owner hereby authorize Mortgagee to file UCC financing statements to perfect Mortgagee's security interest in any part of the Property. In addition, Mortgagor and Owner agree to sign any and all other documents that Mortgagee deems necessary in its sole discretion to perfect, protect, and continue Mortgagee's lien and security interest on the Property.

7.18 Mortgage Taxes. Mortgagor shall pay any and all taxes, charges, filing, registration and recording fees or taxes, excises and levies imposed upon the Mortgagee by reason of its ownership of the Note or this Mortgage or any mortgage supplemental hereto or by reason of recording this Mortgage, any security instrument with respect to the Premises or any part thereof or any instrument of further assurance, other than income, franchise and doing business taxes, and shall pay all stamp and other taxes, if any, required to be paid on or in respect of the Note. If the Mortgagor fails to make any such payment upon demand then, in addition to all other rights and/or remedies available to the Mortgagee upon the occurrence of an Event of Default, Mortgagee shall have the right, but shall not be obligated, to pay the amount due, and the Mortgagor shall, on demand, reimburse the Mortgagee for said amount, which until so reimbursed to the Mortgagee, shall be deemed to be part of the Indebtedness and shall be secured by the lien of this Mortgage.

7.19 Section 291-f. In connection with the Assignment, Mortgagee shall have all the rights against lessees of the Premises as set forth in Section 291(f) of the New York Real Property Law.

7.20 Insurance Provisions Construed. The provisions hereof shall be construed as affording to Mortgagee rights additional to and not exclusive of the rights conferred under the provisions of Sections 254, 271 and 272 of the New York Real Property Law; provided, however, in the event of any inconsistency between the provisions hereof and the provisions of said Sections 254, 271 and 272, the provisions hereof shall govern. The provisions of subsection 4 of Section 254 of the New York Real Property Law covering insurance of buildings against loss by fire shall not apply to this Mortgage or to the Loan Agreement. In the event of any

conflict, inconsistency, or ambiguity between the provisions of this Mortgage (and the Loan Agreement) and the provisions of subsection 4 of Section 254 of the New York Real Property Law covering the insurance of buildings against loss by fire, the provisions of this Mortgage and the Loan Agreement shall control.

7.21 Not Principally Improved. This Mortgage does not cover real property principally improved or to be improved by one or more structures containing in the aggregate not more than six (6) residential dwelling units.

7.22 Trust Fund Provisions.

(a) Mortgagor shall receive all advances and hold the right to receive all advances hereunder, as a trust fund in accordance with the provisions of the Section 13 of the New York Lien Law to be applied first for the purpose of paying the "cost of improvement," as such quoted term is defined in the New York Lien Law before using any part of such advance for any other purpose.

(b) Mortgagor shall indemnify and hold Mortgagee harmless from and against any and all losses, liabilities, proceedings, costs and expenses (including without limitation attorneys fees and disbursements) suffered or incurred by Mortgagee arising out of or relating to any violation or alleged violation by the Mortgagor of the foregoing provisions of this Section or of any applicable law relating thereto, including without limitation, any violation of Article 3-A of the New York Lien Law.

7.23 Advances.

(a) This Mortgage is intended to secure advances made under the Project Loan Agreement. Notwithstanding anything to the contrary contained in this Mortgage, this Mortgage is not intended to constitute a "building loan mortgage" as defined in Section 2(14) of the New York Lien Law.

7.24 Construction Loan Mortgage. This Mortgage, and all of the other Loan Documents, shall at all times be subject and subordinate to the Construction Loan Mortgage, which is intended to be recorded in the Office of the County Clerk, Erie County immediately prior to the recording of this Mortgage, and all of the other Construction Loan Documents.

7.25 Limitation on Owner Liability. Notwithstanding any other term or condition contained in this Mortgage:

(a) This Mortgage is executed by the Owner solely for the purpose of subjecting its interest in the Property to the lien of this Mortgage and for no other purpose. All representations, agreements, covenants and warranties of the Mortgagor herein are hereby deemed to have been made by Mortgagor and not by the Owner.

(b) With respect to the Owner, it is agreed that the Owner, its officers, members, employees, agents and directors shall have no personal liability hereunder, nor in their capacity as officers, members, employees, agents and directors. The Owner has executed this Mortgage to subject its interest in the Property to the lien of this Mortgage; however, the Mortgagee shall

have no recourse to the Owner other than to its interest in the Property. No provision, covenant, representations, warranty or agreement contained in this Mortgage or any obligations herein imposed upon the Owner or the breach thereof, shall constitute or give rise to or impose upon the Owner a pecuniary liability or a charge upon its general credit. In making the agreements, provisions representations, warranties and covenants set forth in this Mortgage, the Owner has not obligated itself except with respect to the Property. All covenants, stipulations, promises, agreements, representations, warranties and obligations of the Owner contained herein shall be deemed to be covenants, stipulations, promises, agreements, representations, warranties and obligations of the Owner and not of any member, director, officer, employee or agent of the Owner in his individual capacity, and no recourse shall be had for the payment of the principal of any debt or interest thereon or any of the Secured Obligations or for any claim based thereon or hereunder against any member, direct, officer, employee or agent of the Owner or any natural person executing this Mortgage. No indebtedness or covenant herein contained shall be deemed to constitute a debt of the State of New York or of the County of Erie and neither the State of New York nor County of Erie shall be liable on any covenant herein, nor shall the obligations secured by this Mortgage be payable out of any funds of the Owner other than those pledged therefor. This Mortgage is specifically subordinate to the rights of the Owner to exercise the Agency's Reserved Rights, as defined under the Lease, which Agency's Reserved Rights have not been mortgaged by the Owner hereunder.

(c) No order or decree of specific performance with respect to any of the obligations of the Owner hereunder shall be sought or enforced against the Owner unless the party seeking such order or decree shall first have requested the Owner in writing to take the action sought in such order or decree of specific performance, and ten (10) days shall have elapsed from the date of receipt of such request, and the Owner shall have refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten (10) days, shall have failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period. If the Owner refuses to comply with such request and the Owner's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree may, at its option, place in an account with the Owner an amount or undertaking sufficient to cover such reasonable fees and expenses whereupon the Owner shall agree to comply with such request. If the Owner refuses to comply with such request and the Owner's refusal to comply is based on its reasonable expectation that it or any of its members, officers, directors, servants, agents or employees shall be subject to potential liability, the party seeking such order or decree may, at its option, (1) agree to protect, defend, indemnify and hold harmless the Owner and its members, officers, directors, servants, agents and employees against any liability incurred as a result of its compliance with such request, and (2) if requested by the Owner, furnish to the Owner reasonably satisfactory security to protect the Owner and its members, officers, directors, servants, agents and employees against all liability reasonably expected to be incurred as a result of compliance with such request, whereupon the Owner shall agree to comply with such request. This agreement on the part of the Mortgagee shall not be construed in any way so as to affect or impair the lien of this Mortgage or the Mortgagee's right to foreclose hereunder as provided by law or construed in any way so as to limit or restrict any of the rights or remedies of the Mortgagee in any foreclosure proceedings.

8. Lease.

8.1 With respect to the Lease, Mortgagor hereby warrants and represents as follows: (i) Mortgagor is owner of a valid and subsisting interest as lessee under the Lease; (ii) the Lease is in full force and effect, unmodified by any writing or otherwise except in connection with the Amendment to Lease dated as of June 1, 2005; (iii) all rent, additional rent and other charges reserved therein have been paid to the extent they are payable to the date hereof; (iv) Mortgagor enjoys the quiet and peaceful possession of the property demised thereby; (v) Mortgagor is not in default under any of the terms thereof and there are no defaults by the lessee thereunder under any of the terms thereof beyond the giving of any required notice and the expiration of any applicable cure period; (vi) Mortgagor has not received notice from lessor under the Lease of a default thereunder, which default has not been timely cured; (vii) the Lease or a memorandum thereof has been duly recorded; and (ix) the term of the Lease extends not less than ten (10) years beyond the maturity date of the Note secured hereby.

8.2 Mortgagor will pay or cause to be paid all rent and other charges required under the Lease as and when the same are due and Mortgagor will keep, observe and perform, or cause to be kept, observed and performed, all of the other terms, covenants, provisions and agreements of the Lease on the part of the lessee thereunder to be kept, observed and performed, and will not in any manner, cancel, terminate or surrender, or permit any cancellation, termination or surrender of the Lease, in whole or in part, or, without the written consent of Mortgagee, either orally or in writing, modify, amend or permit any modification or amendment of any of the terms thereof in any respect, and any attempt on the part of Mortgagor to exercise any such right without such written consent of Mortgagee shall be null and void and of no effect.

8.3 Mortgagor will do, or cause to be done, all things necessary to preserve and keep unimpaired the rights of Mortgagor as lessee under the Lease, and to prevent any default under the Lease, or any termination, surrender, cancellation, forfeiture or impairment thereof, and in the event of the failure of Mortgagor to make any payment required to be made by Mortgagor pursuant to the provisions of the Lease or to keep, observe or perform, or cause to be kept, observed or performed, any of the terms, covenants, provisions or agreements of the Lease, Mortgagor agrees that Mortgagee may (but shall not be obligated to), after notice to Mortgagor (provided, however, that no such notice shall be required to be given after the occurrence of an Event of Default hereunder or under any of the other Loan Documents) take any action on behalf of Mortgagor, to make or cause to be kept, observed or performed any such terms, covenants, provisions or agreements and to enter upon the Premises and take all such action thereof as may be necessary therefor, to the end that the rights of Mortgagor in and to the leasehold estate created by the Lease shall be kept unimpaired and free from default, and all money so expended by Mortgagee, with interest thereon at the Default Rate from the date of each such expenditure, shall be paid by Mortgagor to Mortgagee promptly upon demand by Mortgagee and shall be added to the indebtedness and secured by the Mortgage and Mortgagee shall have, in addition to any other remedy of Mortgagee, the same rights and remedies in the event of non-payment of any such sum by Mortgagor as in the case of a default by Mortgagor in the payment of any sums due under the Note.

8.4 Mortgagor will enforce the obligations of the lessor under the Lease to the end that Mortgagor may enjoy all of the rights granted to it under the Lease, and will promptly notify

Mortgagee in writing of any default by the lessor or by Mortgagor in the performance or observance of any of the terms, covenants and conditions on the part of the lessor or Mortgagor, as the case may be, to be performed or observed under the Lease and Mortgagor will promptly advise Mortgagee in writing of the occurrences of any of the events of default enumerated in the Lease and of the giving of any notice by the lessor to Mortgagor of any default by Mortgagor in performance or observance of any of the terms, covenants or conditions of the Lease on the part of the Mortgagor to be performed or observed and will deliver to Mortgagee a true copy of each such notice. If, pursuant to the Lease, the lessor shall deliver to Mortgagee a copy of any notice of default given to Mortgagor, such notice shall constitute full authority and protection to Mortgagee for any action taken or omitted to be taken by Mortgagee in good faith in reliance thereon to cure such default.

8.5 If any action or proceeding shall be instituted to evict Mortgagor or to recover possession of the Premises or for any other purpose affecting the Lease or this Mortgage, Mortgagor will, immediately upon service thereof on or to Mortgagor, deliver to Mortgagee a true copy of each petition, summons, complaint, notice of motion, order to show cause and of all other provisions, pleadings, and papers, however designated, served in any such action or proceeding.

8.6 Mortgagor covenants and agrees that unless Mortgagee shall otherwise expressly consent in writing, the fee title to the property demised by the Lease and the leasehold estate shall not merge but shall always remain separate and distinct, notwithstanding the union of said estates either in the lessor, Mortgagor, or a third party by purchase or otherwise; and in case Mortgagor acquires the fee title or any other estate, title or interest in the Premises, this Mortgage shall attach to and cover and be a lien upon the fee title or such other estate so acquired, and such fee title or other estate shall, without further assignment, Mortgage or conveyance, become and be subject to the lien of and covered by this Mortgage.

8.7 No release or forbearance of any of Mortgagor's obligations under the Lease, pursuant to the Lease, or otherwise, shall release Mortgagor from any of its obligations under this Mortgage, including its obligation with respect to the payment of rent as provided for in the Lease and the performance of all of the terms, provisions, covenants, conditions and agreements contained in the Lease, to be kept, performed and complied with by the tenant therein.

8.8 Upon the occurrence of an Event of Default, Mortgagor shall not make any election or give any consent or approval (other than the exercise of a renewal right or extension right pursuant to Paragraph 8.10 below) for which a right to do so is conferred upon Mortgagor as lessee under the Lease without Mortgagee's prior written consent. In case of any Event of Default under this Mortgage, all such rights, together with the right of termination, cancellation, modification, change, supplement, alteration or amendment of the Lease, all of which have been assigned for collateral purpose to Mortgagee, shall vest in and be exercisable solely by Mortgagee.

8.9 Mortgagor will give Mortgagee prompt written notice of the commencement of any arbitration or appraisal proceeding under and pursuant to the provisions of the Lease. Mortgagee shall have the right to intervene and participate in any such proceeding and Mortgagor shall confer with Mortgagee to the extent which Mortgagee deems necessary for the

protection of Mortgagee. Upon the written request of Mortgagee, if an Event of Default exists, Mortgagor will exercise all rights of arbitration conferred upon it by the Lease. Mortgagor shall select an arbitrator who is approved in writing by Mortgagee, provided, however, that if at the time any such proceeding shall be commenced, Mortgagor shall be in default in the performance or observance of any covenant, condition or other requirement of the Lease, or of this Mortgage, on the part of Mortgagor to be performed or observed, Mortgagee shall have, and is hereby granted, the sole and exclusive right to designate and appoint on behalf of Mortgagor the arbitrator or arbitrators, or appraiser, in such proceeding.

8.10 Mortgagor may exercise any option or right to renew or extend the term of the Lease or exercise the fee option contained therein without the prior written consent of Mortgagee. Mortgagor shall give Mortgagee simultaneous written notice of the exercise of such option or right to renew or extend, together with a copy of the instrument given to the lessor under the Lease exercising such option or right, and, thereafter, shall promptly deliver to Mortgagee a copy of any acknowledgment by the lessor under such Lease with respect to the exercise of such option or right. If such option or right has not been exercised as aforesaid, then not more than three hundred sixty (360) and not less than two hundred seventy (270) days before the right of Mortgagor to exercise any option or right to renew or extend the term of the Lease shall expire, Mortgagor shall give Mortgagee written notice specifying the date, term and manner for which such option or renewal is to be exercised. Within fifteen (15) business days of written demand by Mortgagee, Mortgagor shall exercise any such option or renewal which is necessary to extend the term of the Lease beyond the term of this Mortgage or to comply with any law affecting Mortgagor or Mortgagee or which is necessary, in Mortgagee's reasonable judgment, to preserve the value of the security intended to be afforded by this Mortgage. Mortgagor shall promptly provide evidence of such exercise of such option or right to Mortgagee's reasonable satisfaction. In the event that Mortgagor fails to so exercise any such option or right or in the event of any default hereunder which is continuing beyond the applicable cure periods, Mortgagor hereby agrees and grants to Mortgagee all right and authority to exercise such option in the name of Mortgagor or in its own name. Nothing contained herein shall affect or limit any rights of Mortgagee granted under the Lease.

8.11 The lien of this Mortgage shall attach to all of Mortgagor's rights and remedies at any time arising under or pursuant to Subsection 365(h) of the Bankruptcy Code, 11 U.S.C. § 365(h), including, without limitation, all of Mortgagor's rights to remain in possession of the Premises.

8.12 Mortgagor shall not, without Mortgagee's prior written consent, elect to treat the Lease as terminated under Subsection 365(h)(1) of the Bankruptcy Code, 11 U.S.C. § 365(h)(1). Any such election made without Mortgagee's consent shall be void.

8.13 Mortgagor hereby unconditionally assigns, transfers and sets over to Mortgagee all of Mortgagor's claims and rights to the payment of damages arising from any rejection of the Lease by lessor or any other fee owner of the Premises under the Bankruptcy Code. Mortgagee shall have the right to proceed in its own name or in the name of Mortgagor in respect of any claim, suit, action or proceeding relating to the rejection of the Lease, including, without limitation, the right to file and prosecute, either in its own name or in the name of Mortgagor, any proofs of claim, complaints, motions, applications, notices and other documents, in any case

in respect to the lessor or any fee owner under the Bankruptcy Code. This assignment constitutes a present, irrevocable and unconditional assignment of the foregoing claims, rights and remedies, and shall continue in effect until all of the obligations secured by this Mortgage shall have been satisfied and discharged in full. Any amounts received by Mortgagee as damages arising out of the rejection of the Lease as aforesaid shall be applied first to all costs and expenses of Mortgagee (including, without limitation, attorneys' fees) incurred in connection with the exercise of any of its rights or remedies under this Section and then in accordance with the provisions of this Mortgage. Mortgagor shall promptly make, execute, acknowledge and deliver, in form and substance satisfactory to Mortgagee, a UCC Financing Statement (Form UCC-1) and all such additional instruments, agreements and other documents, as may at any time hereafter be required by Mortgagee to effectuate and carry out the assignment made pursuant to this Section.

8.14 If pursuant to Subsection 365(h)(2) of the Bankruptcy Code, 11 U.S.C. § 365(h)(2), Mortgagor shall seek to offset against the rent reserved in the Lease the amount of any damages caused by the nonperformance by the lessor or any fee owner of any of their obligations under the Lease after the rejection by the lessor or any fee owner of the Lease under the Bankruptcy Code, Mortgagor shall, prior to effecting such offset, notify Mortgagee of its intent to do so, setting forth the amounts proposed to be so offset and the basis therefor. Mortgagee shall have the right to object to all or any part of such offset that, in the reasonable judgment of Mortgagee, would constitute a breach of the Lease, and in the event of such objection, Mortgagor shall not effect any offset of the amounts so objected to by Mortgagee. Neither Mortgagee's failure to object as aforesaid nor any objection relating to such offset shall constitute an approval of any such offset by Mortgagee.

8.15 If any action, proceeding, motion or notice shall be commenced or filed in respect of the lessor or any fee owner, the Premises or the Lease in connection with any case under the Bankruptcy Code, Mortgagee shall have the option, exercisable upon notice from Mortgagee to Mortgagor, to conduct and control any such litigation with counsel of Mortgagee's choice. Mortgagee may proceed in its own name or in the name of Mortgagor in connection with any such litigation, and Mortgagor agrees to execute any and all powers, authorizations, consents or other documents reasonably required by Mortgagee in connection therewith. Mortgagor shall, upon demand, pay to Mortgagee all costs and expenses (including attorneys' fees) paid or incurred by Mortgagee in connection with the prosecution or conduct of any such proceedings. Any such costs or expenses not paid by Mortgagor as aforesaid shall be secured by the lien of this Mortgage and shall be added to the principal amount of the indebtedness secured hereby. Mortgagor shall not commence any action, suit, proceeding or case, or file any application or make any motion (unless such motion is for the purpose of protecting the Lease and its value as security for the obligations secured by this Mortgage), in respect of the Lease in any such case under the Bankruptcy Code without the prior written consent of Mortgagee, which consent shall not be unreasonably withheld or delayed.

8.16 Mortgagor shall, after obtaining knowledge thereof, promptly notify Mortgagee of any filing by or against the lessor or other fee owner of a petition under the Bankruptcy Code. Mortgagor shall promptly deliver to Mortgagee, following receipt, copies of any and all notices, summonses, pleadings, applications and other documents received by Mortgagor in connection with any such petition and any proceedings relating thereto.

8.17 If there shall be filed by or against Mortgagor a petition under the Bankruptcy Code and Mortgagor, as lessee under the Lease, shall determine to reject the Lease pursuant to Section 365(a) of the Bankruptcy Code, Mortgagor shall give Mortgagee not less than thirty (30) days' prior notice of the date on which Mortgagor shall apply to the Bankruptcy Court for authority to reject the Lease. Mortgagee shall have the right, but not the obligation, to serve upon Mortgagor within such thirty (30) day period a notice stating that Mortgagee demands that Mortgagor assume and assign the Lease to Mortgagee pursuant to Section 365 of the Bankruptcy Code. If Mortgagee shall serve upon Mortgagor the notice described in the preceding sentence, Mortgagor shall not seek to reject the Lease and shall comply with the demand provided for in the preceding sentence.

8.18 Notwithstanding anything to the contrary contained herein, this Mortgage shall not constitute an assignment of the Lease and Mortgagee shall have no liability or obligation thereunder by reason of its acceptance of this Mortgage.

8.19 Owner hereby certifies and confirms to Mortgagee as follows:

(a) As of the date hereof, the Lease is in full force and effect and has not been modified, amended or supplemented by Owner.

(b) Owner has not received any written notice that an event has occurred or circumstance exists which, with the passage of time or the giving of notice or both would constitute a default by either party under the Lease.

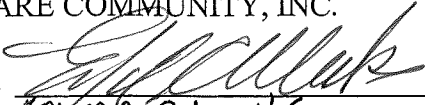
8.20 In connection with the Lease, Owner has issued certain Life Care Community Revenue Bonds (the "Bonds") pursuant to an Indenture of Trust dated as of February 1, 1998 (the "Bond Indenture") between Owner and Manufacturers and Traders Trust Company, as Trustee (the "Bond Trustee"), which was recorded with the Erie County Clerk on February 20, 1998 in Liber 10927 of Deeds at Page 8390. In order to secure such Bonds, Owner and Mortgagor have granted to the Bond Trustee certain mortgages each dated as of February 1, 1998 and recorded with the Erie County Clerk on February 20, 1998 in Liber 12774 of Mortgages at Page 5817, Liber 12774 of Mortgages at Page 5868, and Liber 12774 of Mortgages at Page 5927 respectively (collectively, the "Trustee Mortgages"). The Lease, the Bond Indenture, the Bonds, the Trustee Mortgages and all of the other agreements entered into or delivered in connection therewith are collectively referred to herein as the "Bond Documents". Mortgagor represents that all required consents to the execution of this Mortgage under the Bond Documents have been obtained, and the Bond Trustee, Mortgagee, Mortgagor and Owner have entered into a certain Intercreditor Agreement of even date pursuant to which the parties have set forth the relative lien priority of the Trustee Mortgages and this Mortgage.

8.21 Notwithstanding anything to the contrary set forth herein, Owner shall not be required to undertake any action that Owner determines to be not permitted under the Bond Documents, nor shall Owner be required to refrain from taking any action that Owner determines to be required under the Bond Documents, without receiving the prior written consent from such parties as may be required pursuant to the Bond Documents.

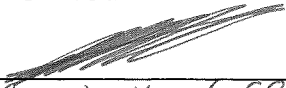
IN WITNESS WHEREOF, Mortgagor has executed this Mortgage as of the date first

above written.

EPISCOPAL CHURCH HOME & AFFILIATES
LIFE CARE COMMUNITY, INC.

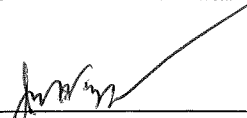
By: 
EDWARD C. WEEKS
PRESIDENT

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 
David W. Kerchhoff
Assistant Treasurer

STATE OF NEW YORK)
)
COUNTY OF ERIE) SS:

On the 17th day of June, in the year 2005, before me, the undersigned personally appeared Edward C. Weers personally known to me or provide to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

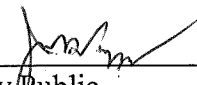


Notary Public
Commission expires:

JOHN A. PAPPANO
Notary Public, State of New York
Qualified in Erie County
My Commission Expires 02/25/20 07

STATE OF NEW YORK)
)
COUNTY OF ERIE) SS:

On the 17th day of June, in the year 2005, before me, the undersigned personally appeared David W. Kraljick personally known to me or provide to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.



Notary Public
Commission expires:

JOHN A. PAPPANO
Notary Public, State of New York
Qualified in Erie County
My Commission Expires 02/25/20 07

EXHIBIT
~~SCHEDULE A~~ - DESCRIPTION

PARCEL I

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Amherst, County of Erie and State of New York, being part of Lot No. 92, Township 12, Range 7 of the Holland Land Company's Survey, and more particularly described as follows:

BEGINNING at an iron pipe found at the intersection of the east line of Youngs Road Extension said line also being the west line of said Lot No. 92, with the south line of lands conveyed to Episcopal Church Home & Affiliates Life Care Community, Inc. by deed recorded in the Erie County Clerk's Office in Liber 10921 of Deeds at page 1715, said south line also being described in boundary line agreement recorded in the Erie County Clerk's Office in Liber 642 of Deeds at page 606;

1. Thence N 00°46'36" E along said east line of Youngs Road Extension, a distance of 1,403.78 feet to a point in the south line of Klein Road as described in deed to the Town of Amherst recorded in the Erie County Clerk's Office in Liber 10926 of Deeds at page 9596;
2. Thence S 86°32'36" E along said south line of Klein Road a distance of 1,343.45 feet;
3. Thence S 03°27'24" W a distance of 575.10 feet;
4. Thence S 26°03'35" E a distance of 91.34 feet;
5. Thence S 26°19'40" W a distance of 106.62 feet;
6. Thence S 09°26'09" W a distance of 54.44 feet;
7. Thence S 25°09'10" W a distance of 63.32 feet;
8. Thence S 07°54'28" E a distance of 106.15 feet;
9. Thence S 32°42'46" W a distance of 40.63 feet to a point of curvature on a non-tangent curve deflecting to the right;
10. Thence southeasterly along the arc of said curve having a radius of 235.49 feet a chord bearing and distance of S 26°50'45" E, 237.64 feet, an arc distance of 249.09 feet;
11. Thence S 03°27'24" W a distance of 92.02 feet to a point of curvature on a non-tangent curve deflecting to the right;
12. Thence easterly along the arc of said curve having a radius of 635.0 feet a chord bearing and distance of S 80°21'19" E, 100.05 feet, an arc distance of 100.16 feet;
13. Thence S 75°50'12" E a distance of 102.86 feet to a point of curvature;
14. Thence easterly along the arc of a curve deflecting to the left having a radius of 565.0 feet, an arc distance of 105.58 feet;

EXHIBIT
SCHEDULE A - DESCRIPTION (Continued)

15. Thence S 86°32'36" E a distance of 158.0 feet to a point in the west line of Ayer Road as described in said deed to the Town of Amherst recorded in Liber 10926 of Deeds at page 9596;
16. Thence S 17°51'02" W along said west line of Ayer Road a distance of 61.94 feet to a point in said south line of lands of Episcopal Church Home & Affiliates Life Care Community, Inc. as described in said deed recorded in Liber 10921 of Deeds at page 1715;
17. Thence N 86°32'36" W along said south line of Episcopal Church Home & Affiliates Life Care Community, Inc. a distance of 1821.36 feet to the **POINT OF BEGINNING**.

EXCEPTING therefrom that portion of Renaissance Drive, a public road, located within the above described lands as conveyed to the Town of Amherst by deed recorded in the Erie County Clerk's Office in Liber 10954 of Deeds at page 5277.

PARCEL II

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Amherst, County of Erie, State of New York, being part of Lot No. 92, Township 12, Range 7 of the Holland Land Company's Survey and more particularly described as follows:

BEGINNING at the intersection of the south line of Klein Road with the west line of Ayer Road, as said south and west lines are described in deed to the Town of Amherst recorded in the Erie County Clerk's Office in Liber 10926 of Deeds at page 9596;

1. Thence S 03°46'56" W along said west line of Ayer Road a distance of 1,204.41 feet to an angle point;
2. Thence S 17°51'02" W continuing along said west line of Ayer Road a distance of 142.32 feet;
3. Thence N 86°32'36" W a distance of 158.0 feet;
4. Thence westerly along the arc of a curve deflecting to the right having a radius of 565.0 feet, an arc distance of 105.58 feet;
5. Thence N 75°50'12" W a distance of 102.86 feet to a point of curvature;
6. Thence westerly along the arc of a curve deflecting to the left having a radius of 635.0 feet, a chord bearing and distance of N 80°21'19" W, 100.05 feet, an arc distance of 100.16 feet;
7. Thence N 03°27'24" E a distance of 92.02 feet to a point of curvature;
8. Thence northwesterly along the arc of a curve deflecting to the left, having a radius of 235.49 feet, a chord bearing and distance of N 26°50'45" W, 237.64 feet, an arc distance of 249.09 feet;

E Amherst
SCHEDULE A - DESCRIPTION (Continued)

9. Thence N 32°42'46" E a distance of 40.63 feet;
10. Thence N 07°54'28" W a distance of 106.15 feet;
11. Thence N 25°09'10" E a distance of 63.32 feet;
12. Thence N 09°26'09" E a distance of 54.44 feet;
13. Thence N 26°19'40" E a distance of 106.62 feet;
14. Thence N 26°03'35" W a distance of 91.34 feet;
15. Thence N 03°27'24" E a distance of 575.10 feet to a point in said south line of Klein Road as described in said deed to the Town of Amherst recorded in Liber 10926 of Deeds at page 9596;
16. Thence S 86°32'36" E along said south line of Klein Road a distance of 601.17 feet to the **POINT OF BEGINNING.**

EXCEPTING therefrom that portion of Renaissance Drive, a public road, located within the above described lands as conveyed to the Town of Amherst by deed recorded in the Erie County Clerk's Office in Liber 10954 of Deeds at page 5277.

Parcel I and Parcel II above being a portion of the same premises granted and conveyed in fee by Episcopal Church Home & Affiliates Life Care Community, Inc. to Erie County Industrial Development Agency by deed dated February 11, 1998 and recorded in the Erie County Clerk's Office February 20, 1998 in Liber 10927 of Deeds at page 8372.

**CONSTRUCTION LOAN MORTGAGE,
ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND
FIXTURE FILING**

made by

**EPISCOPAL CHURCH HOME & AFFILIATES
LIFE CARE COMMUNITY, INC.,**

as Mortgagor

and

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY,

as Owner

to

KEYBANK NATIONAL ASSOCIATION,

as Mortgagee

Lexington Village
Williamsville, New York

Dated as of June 17, 2005

PREPARED BY AND UPON RECORDATION RETURN TO:

Edwards & Angell, LLP
101 Federal Street
Boston, MA 02110
Attention: Susan E. Siebert, Esq.

CONSTRUCTION LOAN MORTGAGE,
ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND
FIXTURE FILING

Project Commonly Known as
"Lexington Village"

THIS CONSTRUCTION LOAN MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this "Mortgage") is made as of June __, 2005, by EPISCOPAL CHURCH HOME & AFFILIATES LIFE CARE COMMUNITY, INC., a New York not-for-profit corporation ("Mortgagor"), whose address is 705 Renaissance Drive, Williamsville, New York 14221, and by ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York ("Owner"), whose address is 275 Oak Street, Buffalo, New York 14203, in favor of KEYBANK NATIONAL ASSOCIATION, a national banking association, its successors and assigns ("Mortgagee"), whose address is 127 Public Square, Cleveland, Ohio 44114.

RECITALS:

(A) Pursuant to the terms and conditions of that certain Construction Loan Agreement of even date herewith (as amended, restated or replaced from time to time, "Loan Agreement") between Mortgagor and Mortgagee, Mortgagee has agreed to loan to Mortgagor the principal amount of up to Eleven Million Three Hundred Fifty Six Thousand Seventy Nine and xx/100 Dollars (\$11,356,079.00) ("Loan"). The Loan is evidenced by that certain Construction Loan Note of even date herewith (as amended, restated, consolidated or replaced from time to time, the "Note") made by Mortgagor to Mortgagee in the principal amount of up to \$11,356,079.00.

(B) A condition precedent to Mortgagee's extension of the Loan to Mortgagor is the execution and delivery by Mortgagor of this Mortgage.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagor and Owner hereby agree as follows:

1. **Grant and Secured Obligations.**

1.1 **Grant.** For the purpose of securing payment and performance of the Secured Obligations defined and described in Section 1.2 below, Mortgagor and Owner hereby irrevocably and unconditionally give, grant, bargain, sell, convey, mortgage, warrant, release, alien, remise, assign, transfer, hypothecate, pledge, set over and confirm to Mortgagee, with power of sale and with right of entry and possession, all estate, right, title and interest which Mortgagor now has or may later acquire in and to the following property (all or any part of such property, or any interest in all or any part of it, as the context may require, the "Property"):

(a) The real property located in the Town of Amherst, County of Erie, State of New York, as more particularly described in Exhibit A annexed hereto, together with all existing and future easements and rights affording access to it (the "Premises"); together with

(b) All buildings, structures and improvements now located or later to be constructed on the Premises (the "Improvements"); together with

(c) All existing and future appurtenances, privileges, easements, franchises and tenements of the Premises, including all minerals, oil, gas, other hydrocarbons and associated substances, sulphur, nitrogen, carbon dioxide, helium and other commercially valuable substances which may be in, under or produced from any part of the Premises, all development rights and credits, air rights, water, water rights (whether riparian, appropriative or otherwise, and whether or not appurtenant) and water stock, and any Premises lying in the streets, roads or avenues, open or proposed, in front of or adjoining the Premises and Improvements; together with

(d) All of that certain leasehold estate and all right, title, interest, privileges and options created under that certain lease agreement dated as of February 1, 1998 between the Owner, as lessor, and Mortgagor, as lessee as amended pursuant to a certain Amendment to Lease Agreement dated as of June 1, 2005 between Owner, as lessor, and Mortgagor, as lessee (such lease agreement, as same may be further amended, modified, extended or supplemented from time to time, the "Lease"), and all existing and future leases, subleases, subtenancies, licenses, occupancy agreements and concessions relating to the use and enjoyment of all or any part of the Premises and Improvements, and any and all guaranties and other agreements relating to or made in connection with any of such leases (collectively, the "leases"); together with

(e) All goods, materials, supplies, chattels, furniture, fixtures, equipment and machinery now or later to be attached to, placed in or on, or used in connection with the use, enjoyment, occupancy or operation of all or any part of the Premises and Improvements, whether stored on the Premises or elsewhere, including all pumping plants, engines, pipes, ditches and flumes, and also all gas, electric, cooking, heating, cooling, air conditioning, lighting, refrigeration and plumbing fixtures and equipment, all of which shall be considered to the fullest extent of the law to be real property for purposes of this Mortgage and any manufacturer's warranties with respect thereto; together with

(f) All building materials, equipment, work in process or other personal property of any kind, whether stored on the Premises or elsewhere, which have been or later will be acquired for the purpose of being delivered to, incorporated into or installed in or about the Premises or Improvements; together with

(g) All interest in and to all operating accounts, the Loan funds, whether disbursed or not, all reserves set forth in the Budget, all deferred fees set forth in the Budget, the Operating Account, and any other bank accounts of Mortgagor; together with

(h) All rights to the payment of money, accounts, accounts receivable, reserves, deferred payments, refunds, cost savings, payments and deposits, whether now or later to be received from third parties (including all earnest money sales deposits) or deposited by Mortgagor with third parties (including all utility deposits), contract rights, development and use rights, governmental permits and licenses, applications, architectural and engineering plans, specifications and drawings, as-built drawings, chattel paper, instruments, documents, notes, drafts and letters of credit (other than letters of credit in favor of Mortgagee), which arise from or

relate to construction on the Premises or to any business now or later to be conducted on it, or to the Premises and Improvements generally and any builder's or manufacturer's warranties with respect thereto; together with

(i) All insurance policies pertaining to the Premises and all proceeds, including all claims to and demands for them, of the voluntary or involuntary conversion of any of the Premises, Improvements or the other property described above into cash or liquidated claims, including proceeds of all present and future fire, hazard or casualty insurance policies and all condemnation awards or payments now or later to be made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any condemnation or eminent domain proceeding, and all causes of action and their proceeds for any damage or injury to the Premises, Improvements or the other property described above or any part of them, or breach of warranty in connection with the construction of the Improvements, including causes of action arising in tort, contract, fraud or concealment of a material fact; together with

(j) All of Mortgagor's rights in and to all Interest Rate Agreements; together with

(k) All books and records pertaining to any and all of the property described above, including computer-readable memory and any computer hardware or software necessary to access and process such memory ("Books and Records"); together with

(l) All proceeds of, additions and accretions to, substitutions and replacements for, and changes in any of the property described above.

(m) Provided, however, that the Agency's Reserved Rights, as defined in the Lease, are not included in the foregoing grant, conveyance and mortgage, shall not constitute a part of the Property and have not been mortgaged by Owner hereby.

Capitalized terms used above and elsewhere in this Mortgage without definition have the meanings given them in the Loan Agreement.

1.2 Secured Obligations.

(a) Mortgagor and Owner make the grant, conveyance, and mortgage set forth in Section 1.1 above, and grants the security interest set forth in Section 3 below for the purpose of securing the following obligations (the "Secured Obligations") in any order of priority that Mortgagee may choose:

(i) Payment of all obligations at any time owing under the Note; and

(ii) Payment and performance of all obligations under this Mortgage;
and

(iii) Payment and performance of all obligations of Mortgagor under the Loan Agreement; and

(iv) Payment and performance of all obligations of Mortgagor and Owner under any other Loan Documents (as hereinafter defined); and

(v) Payment and performance of all obligations of Mortgagor arising from any Interest Rate Agreements; and

(vi) Payment and performance of all future advances and other obligations that Mortgagor or any successor in ownership of all or part of the Property may agree to pay and/or perform (whether as principal, surety or guarantor) for the benefit of Mortgagee, when a writing evidences the parties' agreement that the advance or obligation be secured by this Mortgage; and

(vii) Payment and performance of all modifications, amendments, extensions, consolidations, restatements and renewals, however evidenced, of any of the Secured Obligations.

(b) The term "Loan Documents" means this Mortgage, the Note, the Loan Agreement and all of the other documents and instruments executed or delivered by Mortgagor in connection with the Loan except for the Project Loan Documents (as hereinafter defined). All persons who may have or acquire an interest in all or any part of the Property will be considered to have notice of, and will be bound by, the terms of the Secured Obligations and each other agreement or instrument made or entered into in connection with each of the Secured Obligations. Such terms include any provisions in the Note or the Loan Agreement, or which provide that the interest rate on one or more of the Secured Obligations may vary from time to time.

2. Assignment of Rents.

2.1 Assignment. Mortgagor hereby irrevocably, absolutely, presently and unconditionally assigns to Mortgagee all rents, royalties, issues, profits, revenue, income, accounts, proceeds and other benefits of the Property (except for payments due Owner under the Lease) including, without limitation, those payable to Mortgagor under any leases, whether now due, past due or to become due, including all prepaid rents and security deposits (some or all collectively, as the context may require, "Rents"). This is an absolute assignment, not an assignment for security only.

2.2 Grant of License. Mortgagee hereby confers upon Mortgagor a license ("License") to collect and retain the Rents as they become due and payable, so long as no Event of Default, as defined in Section 6.2 below, shall exist and be continuing. If an Event of Default has occurred and is continuing, Mortgagee shall have the right, which it may choose to exercise in its sole discretion, to terminate this License without notice to or demand upon Mortgagor, and without regard to the adequacy of Mortgagee's security under this Mortgage.

2.3 Collection and Application of Rents. Subject to the License granted to Mortgagor under Section 2.2 above, Mortgagee has the right, power and authority to collect any and all Rents. Mortgagor and Owner hereby appoint Mortgagee its attorney-in-fact to perform any and all of the following acts, if and at the times when Mortgagee in its sole discretion may so choose:

- (a) Demand, receive and enforce payment of any and all Rents; or
- (b) Give receipts, releases and satisfactions for any and all Rents; or

(c) Sue either in the name of Mortgagor or Owner or in the name of Mortgagee for any and all Rents.

Mortgagee, Mortgagor and Owner agree that the mere recordation of the assignment granted herein entitles Mortgagee immediately to collect and receive rents upon the occurrence of an Event of Default, as defined in Section 6.2, without first taking any acts of enforcement under applicable law, such as, but not limited to, providing notice to Mortgagor or Owner, filing foreclosure proceedings, or seeking and/or obtaining the appointment of a receiver. Further, Mortgagee's right to the Rents does not depend on whether or not Mortgagee takes possession of the Property as permitted under Subsection 6.3(c). In Mortgagee's sole discretion, Mortgagee may choose to collect Rents either with or without taking possession of the Property. Mortgagee shall apply all Rents collected by it in the manner provided under Section 6.6. If an Event of Default occurs while Mortgagee is in possession of all or part of the Property and is collecting and applying Rents as permitted under this Mortgage, Mortgagee and any receiver shall nevertheless be entitled to exercise and invoke every right and remedy afforded any of them under this Mortgage and at law or in equity.

2.4 Mortgagee Not Responsible. Under no circumstances shall Mortgagee have any duty to produce Rents from the Property. Regardless of whether or not Mortgagee, in person or by agent, takes actual possession of the Premises and Improvements, unless Mortgagee agrees in writing to the contrary, Mortgagee is not and shall not be deemed to be:

- (a) A "mortgagee in possession" for any purpose; or
- (b) Responsible for performing any of the obligations of the lessor under any lease or sublessor under any sublease; or
- (c) Responsible for any waste committed by lessees or any other parties, any dangerous or defective condition of the Property, or any negligence in the management, upkeep, repair or control of the Property; or
- (d) Liable in any manner for the Property or the use, occupancy, enjoyment or operation of all or any part of it.

2.5 Leasing. Mortgagor shall not accept any deposit or prepayment of rents under the leases for any rental period exceeding one (1) month without Mortgagee's prior written consent. Mortgagor shall not lease the Property or any part of it except strictly in accordance with the Loan Agreement.

3. Grant of Security Interest.

3.1 Security Agreement. The parties intend for this Mortgage to create a lien on the Property, and an absolute assignment of the Rents, all in favor of Mortgagee. The parties acknowledge that some of the Property and some or all of the Rents may be determined under applicable law to be personal property or fixtures. To the extent that any Property or Rents may be or be determined to be personal property, Mortgagor and Owner as debtor hereby grant Mortgagee as secured party a security interest in all such Property and Rents, to secure payment and performance of the Secured Obligations. This Mortgage constitutes a security agreement

under the Uniform Commercial Code of the State in which the Property is located, covering all such Property and Rents.

3.2 Financing Statements. Mortgagor and Owner hereby authorize Mortgagee to file one or more financing statements. In addition, Mortgagor and Owner shall execute such other documents as Mortgagee may from time to time require to perfect or continue the perfection of Mortgagee's security interest in any Property or Rents. As provided in Section 5.9 below, Mortgagor shall pay all fees and costs that Mortgagee may incur in filing such documents in public offices and in obtaining such record searches as Mortgagee may reasonably require. In case Mortgagor or Owner fails to execute any financing statements or other documents for the perfection or continuation of any security interest, Mortgagor and Owner hereby appoint Mortgagee as its true and lawful attorney-in-fact to execute any such documents on its behalf. If any financing statement or other document is filed in the records normally pertaining to personal property, that filing shall never be construed as in any way derogating from or impairing this Mortgage or the rights or obligations of the parties under it.

4. Fixture Filing.

This Mortgage constitutes a financing statement filed as a fixture filing under Article 9 of the Uniform Commercial Code in the State in which the Property is located, as amended or recodified from time to time, covering any Property which now is or later may become fixtures attached to the Premises or Improvements. For this purpose, the respective addresses of Mortgagor and Owner, as debtor, and Mortgagee, as secured party, are as set forth in the preambles of this Mortgage.

5. Rights and Duties of the Parties.

5.1 Representations and Warranties.

(a) Mortgagor represents and warrants that:

(i) Mortgagor lawfully possesses and holds a leasehold interest in the Premises in accordance with the Lease, and has not encumbered or assigned any of its business interests and rights, title or interest under, in and to the Lease, except pursuant to the Bond Documents;

(ii) Mortgagor has or will have good title to all Property in accordance with all of its right, title and interest under the Lease;

(iii) Mortgagor has the full and unlimited power, right and authority to encumber the Property and assign the Rents;

(iv) This Mortgage creates a co-first and prior lien on the Property, together with the lien created by the Bond Documents;

(v) The Property includes all property and rights which may be reasonably necessary or desirable to promote the present and any reasonable future beneficial use and enjoyment of the Premises and Improvements;

(vi) Mortgagor owns any Property which is personal property free and clear of any security agreements, reservations of title or conditional sales contracts, and there is no financing statement affecting such personal property on file in any public office, except pursuant to the Bond Documents; and

(vii) Mortgagor's place of business, or its chief executive office if it has more than one place of business, is located at the address specified below.

5.2 Taxes, and Assessments. Mortgagor shall pay prior to delinquency all taxes, levies, charges and assessments, in accordance with Section 15.1(h) of the Loan Agreement.

5.3 Performance of Secured Obligations. Mortgagor shall promptly pay and perform each Secured Obligation in accordance with its terms.

5.4 Liens, Charges and Encumbrances. Mortgagor shall immediately discharge any lien on the Property which Mortgagee has not consented to in writing in accordance with the provisions of the Loan Agreement.

5.5 Damages and Insurance and Condemnation Proceeds. In the event of any casualty or condemnation of the Property, the provisions of Article 16 of the Loan Agreement shall govern.

5.6 Maintenance and Preservation of Property.

(a) Mortgagor shall insure the Property as required by the Loan Agreement and keep the Property in good condition and repair.

(b) Neither Mortgagor nor Owner shall remove or demolish the Property or any part of it, or alter, restore or add to the Property, or initiate any change or variance in any zoning or other Premises use classification which affects the Property or any part of it, except as permitted or required by the Loan Agreement or as required by the Bond Documents or with Mortgagee's express prior written consent in each instance

(c) If all or part of the Property becomes damaged or destroyed, Mortgagor shall promptly and completely repair and/or restore the Property in a good and workmanlike manner in accordance with sound building practices, regardless of whether or not Mortgagee agrees to disburse Proceeds or other sums to pay costs of the work of repair or reconstruction under Article 16 of the Loan Agreement.

(d) Mortgagor shall not commit or allow any act upon or use of the Property which would violate: (i) any applicable Laws or order of any Governmental Authority, whether now existing or later to be enacted and whether foreseen or unforeseen; or (ii) any public or private covenant, condition, restriction or equitable servitude affecting the Property. Mortgagor shall not bring or keep any article on the Property or cause or allow any condition to exist on it, if that could invalidate or would be prohibited by any insurance coverage required to be maintained on the Property or any part of it under the Loan Agreement.

(e) Mortgagor shall not commit or allow waste of the Property, including those acts or omissions characterized under the Loan Agreement as waste which arises out of Hazardous Material.

(f) Mortgagor shall perform all other acts which from the character or use of the Property may be reasonably necessary to maintain and preserve its value.

5.7 Releases, Extensions, Modifications and Additional Security. From time to time, Mortgagee may perform any of the following acts without incurring any liability or giving notice to any person:

(a) Release any person liable for payment of any Secured Obligation;

(b) Extend the time for payment, or otherwise alter the terms of payment, of any Secured Obligation;

(c) Accept additional real or personal property of any kind as security for any Secured Obligation, whether evidenced by deeds of trust, mortgages, security agreements or any other instruments of security;

(d) Alter, substitute or release any property securing the Secured Obligations;

(e) Consent to the making of any plat or map of the Property or any part of it;

(f) Join in granting any easement or creating any restriction affecting the Property; or

(g) Join in any subordination or other agreement affecting this Mortgage or the lien of it; or

(h) Release the Property or any part of it.

5.8 Release. When all of the Secured Obligations have been paid in full and all fees and other sums owed by Mortgagor under Section 5.9 of this Mortgage and the other Loan Documents have been received, Mortgagee shall release and discharge this Mortgage of record, the lien created thereby, and all notes and instruments evidencing the Secured Obligations. Mortgagor shall pay any costs of preparation and recordation of such release and discharge.

5.9 Compensation, Exculpation, Indemnification.

(a) Mortgagor agrees to pay such reasonable fees as may be charged by Mortgagee pursuant to the express provisions of this Mortgage and the Construction Loan Agreement, including Mortgagee's providing a statement of the Secured Obligations or providing the release pursuant to Section 5.8 above. Mortgagor shall also pay or reimburse all of Mortgagee's costs and expenses which may be incurred in rendering any such services. Mortgagor further agrees to pay or reimburse Mortgagee for all costs, expenses and other advances which may be incurred or made by Mortgagee in any efforts to enforce any terms of this Mortgage, including any rights or remedies afforded to Mortgagee under Section 6.3, whether any lawsuit is filed or not, or in defending any action or proceeding arising under or relating to this Mortgage, including

attorneys' fees and other legal costs, costs of any Foreclosure Sale (as defined in Subsection 6.3(i) below) and any cost of evidence of title. If Mortgagee chooses to dispose of Property through more than one Foreclosure Sale, Mortgagor shall pay all costs, expenses or other advances that may be incurred or made by Mortgagee in each of such Foreclosure Sales. In any suit to foreclose the lien hereof or enforce any other remedy of Mortgagee under this Mortgage or the Note, there shall be allowed and included as additional indebtedness in the decree for sale or other judgment or decree all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' costs and fees (including the costs and fees of paralegals), survey charges, appraiser's fees, inspecting engineer's and/or architect's fees, fees for environmental studies and assessments and all additional expenses incurred by Mortgagee with respect to environmental matters, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to title as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to, the value of or the environmental condition of the Property. All expenditures and expenses of the nature in this Subsection mentioned, and such expenses and fees as may be incurred in the protection of the Property and maintenance of the lien of this Mortgage, including the fees of any attorney (including the costs and fees of paralegals) employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Note or the Property, including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Mortgagor, with interest thereon at the Default Rate and shall be secured by this Mortgage.

(b) Mortgagee shall not be directly or indirectly liable to Mortgagor, Owner or any other person as a consequence of any of the following:

(i) Mortgagee's exercise of or failure to exercise any rights, remedies or powers granted to Mortgagee in this Mortgage;

(ii) Mortgagee's failure or refusal to perform or discharge any obligation or liability of Mortgagor under any agreement related to the Property or under this Mortgage; or

(iii) Any loss sustained by Mortgagor or Owner or any third party resulting from Mortgagee's failure to lease the Property, or from any other act or omission of Mortgagee in managing the Property, after an Event of Default, unless the loss is caused by the willful misconduct and bad faith of Mortgagee.

Mortgagor and Owner hereby expressly waive and release all liability of the types described above, and agree that no such liability shall be asserted against or imposed upon Mortgagee.

(c) Mortgagor agrees to indemnify Mortgagee against and hold it harmless from all losses, damages, liabilities, claims, causes of action, judgments, court costs, attorneys' fees and

other legal expenses, cost of evidence of title, cost of evidence of value, and other costs and expenses which it may suffer or incur:

(i) In performing any act required or permitted by this Mortgage or any of the other Loan Documents or by law;

(ii) Because of any failure of Mortgagor to perform any of its obligations; or

(iii) Because of any alleged obligation of or undertaking by Mortgagee to perform or discharge any of the representations, warranties, conditions, covenants or other obligations in any document relating to the Property other than the Loan Documents.

This agreement by Mortgagor to indemnify Mortgagee shall survive the release and cancellation of any or all of the Secured Obligations and the full or partial release of this Mortgage.

(d) Mortgagor shall pay all obligations to pay money arising under this Section 5.9 immediately upon demand by Mortgagee. Each such obligation shall be added to, and considered to be part of, the principal of the Note, and shall bear interest from the date the obligation arises at the Default Rate.

5.10 Defense and Notice of Claims and Actions. At Mortgagor's sole expense, Mortgagor shall protect, preserve and defend the Property and title to and right of possession of the Property, and the security of this Mortgage and the rights and powers of Mortgagee created under it, against all adverse claims. Mortgagor shall give Mortgagee prompt notice in writing if any claim is asserted which does or could affect any such matters, or if any action or proceeding is commenced which alleges or relates to any such claim.

5.11 Subrogation. Mortgagee shall be subrogated to the liens of all encumbrances, whether released of record or not, which are discharged in whole or in part by Mortgagee in accordance with this Mortgage or with the proceeds of any loan secured by this Mortgage.

5.12 Site Visits, Observation and Testing. After first providing reasonable notice, except in an emergency, as determined by Mortgagee, Mortgagee and its agents and representatives shall have the right at any reasonable time to enter and visit the Property for the purpose of performing appraisals, observing the Property, taking and removing soil or groundwater samples, and conducting tests on any part of the Property, provided that there is a reasonable basis for doing so or at any time after an Event of Default. Mortgagee has no duty, however, to visit or observe the Property or to conduct tests, and no site visit, observation or testing by Mortgagee, its agents or representatives shall impose any liability on any of Mortgagee, its agents or representatives. In no event shall any site visit, observation or testing by Mortgagee, its agents or representatives be a representation that Hazardous Material are or are not present in, on or under the Property, or that there has been or shall be compliance with any law, regulation or ordinance pertaining to Hazardous Material or any other applicable governmental law. Neither Mortgagor, Owner nor any other party is entitled to rely on any site visit, observation or testing by any of Mortgagee, its agents or representatives. Except as

expressly set forth in this Mortgage, neither Mortgagee, its agents or representatives owe any duty of care to protect Mortgagor, Owner or any other party against, or to inform Mortgagor, Owner or any other party of, any Hazardous Material or any other adverse condition affecting the Property. Mortgagee shall make reasonable efforts to avoid interfering with Mortgagor's use of the Property in exercising any rights provided in this Section 5.12.

5.13 Notice of Change. Mortgagor shall give Mortgagee prior written notice of any change in: (a) the location of its place of business or its chief executive office if it has more than one place of business; (b) the location of any of the Property, including the Books and Records; and (c) Mortgagor's name or business structure. Unless otherwise approved by Mortgagee in writing, all Property that consists of personal property (other than the Books and Records) will be located on the Premises and all Books and Records will be located at Mortgagor's place of business or chief executive office if Mortgagor has more than one place of business.

6. Accelerating Transfers, Default and Remedies.

6.1 Accelerating Transfers.

(a) "Accelerating Transfer" means any Transfer not expressly permitted under the Loan Agreement.

(b) Mortgagor acknowledges that Mortgagee is making one or more advances under the Loan Agreement in reliance on the expertise, skill and experience of Mortgagor and upon Owner's involvement in the project; thus, the Secured Obligations include material elements similar in nature to a personal service contract. In consideration of Mortgagee's reliance, Mortgagor agrees that no Accelerating Transfer shall occur, unless the transfer is preceded by Mortgagee's express written consent to the particular transaction and transferee. Mortgagee may withhold such consent in its sole discretion. If any Accelerating Transfer occurs, Mortgagee in its sole discretion may declare all of the Secured Obligations to be immediately due and payable, and Mortgagee may invoke any rights and remedies provided by Section 6.3 of this Mortgage.

(c) Nothing contained herein shall restrict the right of the Owner to transfer its interest in the Property to Mortgagor, as provided for in the Lease.

6.2 Events of Default. There shall be a default under this Mortgage upon the occurrence of any one or more of the following events (some or all collectively, "Events of Default;" any one singly, an "Event of Default").

(a) Failure (i) (x) of Mortgagor to pay any of the principal of the Loan when due, (y) of Mortgagor to pay interest within seven (7) Business Days after the date when due or (z) of Mortgagor to observe or perform any of the other covenants or conditions by Mortgagor to be performed under the terms of this Mortgage or any of the other Loan Documents concerning the payment of money for a period of ten (10) days after written notice from Mortgagee that the same is due and payable; or (ii) of Mortgagor for a period of thirty (30) days after written notice from Mortgagee, to observe or perform any non-monetary covenant or condition contained in this Mortgage or any of the other Loan Documents; provided that if any such failure concerning a non-monetary covenant or condition is susceptible to cure but cannot reasonably be cured within said thirty (30) day period, then Mortgagor shall have an additional sixty (60) day period

to cure such failure and no Event of Default shall be deemed to exist hereunder so long as (x) Mortgagor commences such cure within the initial thirty (30) day period and diligently and in good faith pursues such cure to completion within such resulting ninety (90) day period from the date of Mortgagee's notice, and (y) the existence of such uncured default will not result in any tenant under a lease having the right to terminate such lease, or result in a default under the Lease, due to such uncured default; and provided further that if a different notice or grace period is specified under Article 19 of the Loan Agreement (or elsewhere in this Mortgage or the Loan Agreement) in which such particular breach will become an Event of Default, the specific provision shall control;

(b) An "Event of Default" occurs under the Loan Agreement or any other Loan Document; or

(c) An "Event of Default" occurs under any of the Project Loan Documents (as hereinafter defined). The term "Project Loan Documents" means, collectively, all of the documents and instruments executed or delivered by Mortgagor and/or Owner to Mortgagee in connection with that certain project loan of even date herewith made by Mortgagee to Mortgagor in the principal amount of up to \$2,173,921.00, including without limitation, that certain Project Loan Mortgage, Assignment of Rents, Security Agreement and Fixture Filing of even date herewith made by Mortgagor and Owner to Mortgagee (the "Project Loan Mortgage").

6.3 Remedies. At any time after an Event of Default, Mortgagee shall be entitled to invoke any and all of the rights and remedies described below, in addition to all other rights and remedies available to Mortgagee at law or in equity. All of such rights and remedies shall be cumulative, and the exercise of any one or more of them shall not constitute an election of remedies.

(a) Acceleration. Mortgagee may declare any or all of the Secured Obligations to be due and payable immediately.

(b) Receiver. Mortgagee shall, as a matter of right, without notice and without giving bond to Mortgagor, Owner or anyone claiming by, under or through Mortgagor or Owner, and without regard for the solvency or insolvency of Mortgagor or Owner or the then value of the Property, to the extent permitted by applicable law, be entitled to have a receiver appointed for all or any part of the Property and the Rents, and the proceeds, issues and profits thereof, with the rights and powers referenced below and such other rights and powers as the court making such appointment shall confer, and Mortgagor and Owner hereby consent to the appointment of such receiver and shall not oppose any such appointment. Such receiver shall have all powers and duties prescribed by applicable law, all other powers which are necessary or usual in such cases for the protection, possession, control, management and operation of the Property, and such rights and powers as Mortgagee would have, upon entering and taking possession of the Property under subsection (c) below.

(c) Entry. Mortgagee, in person, by agent or by court-appointed receiver, may enter, take possession of, manage and operate all or any part of the Property, and may also do any and all other things in connection with those actions that Mortgagee may in its sole discretion consider necessary and appropriate to protect the security of this Mortgage. Such other things

may include: taking and possessing all of Mortgagor's or the then owner's Books and Records; entering into, enforcing, modifying or canceling leases (other than the Lease) on such terms and conditions as Mortgagee may consider proper; obtaining and evicting tenants; fixing or modifying Rents; collecting and receiving any payment of money owing to Mortgagee; completing any unfinished construction; and/or contracting for and making repairs and alterations. If Mortgagee so requests, Mortgagor shall assemble all of the Property that has been removed from the Premises and make all of it available to Mortgagee at the site of the Premises. Mortgagor and Owner hereby irrevocably constitute and appoint Mortgagee as Mortgagor's and Owner's attorney-in-fact to perform such acts and execute such documents as Mortgagee in its sole discretion may consider to be appropriate in connection with taking these measures, including endorsement of Mortgagor's name on any instruments.

(d) Cure; Protection of Security. Mortgagee may cure any breach or default of Mortgagor or Owner (without any right of subrogation against Owner), and if it chooses to do so in connection with any such cure, Mortgagee may also enter the Property and/or do any and all other things which it may in its sole discretion consider necessary and appropriate to protect the security of this Mortgage, including, without limitation, completing construction of the improvements at the Property contemplated by the Loan Agreement. Such other things may include: appearing in and/or defending any action or proceeding which purports to affect the security of, or the rights or powers of Mortgagee under, this Mortgage; paying, purchasing, contesting or compromising any encumbrance, charge, lien or claim of lien which in Mortgagee's sole judgment is or may be senior or equal in priority to this Mortgage, such judgment of Mortgagee or to be conclusive as among the parties to this Mortgage; obtaining insurance and/or paying any premiums or charges for insurance required to be carried under the Loan Agreement; otherwise caring for and protecting any and all of the Property; and/or employing counsel, accountants, contractors and other appropriate persons to assist Mortgagee. Mortgagee may take any of the actions permitted under this Subsection 6.3(d) either with or without giving notice to any person. Any amounts expended by Mortgagee under this Subsection 6.3(d) shall be secured by this Mortgage.

(e) Uniform Commercial Code Remedies. Mortgagee may exercise any or all of the remedies granted to a secured party under the Uniform Commercial Code in the State in which the Property is located.

(f) Foreclosure; Lawsuits. Mortgagee shall have the right, in one or several concurrent or consecutive proceedings, to foreclose the lien hereof upon the Property or any part thereof, for the Secured Obligations, or any part thereof, by any proceedings appropriate under applicable law. Mortgagee or its nominee may bid and become the purchaser of all or any part of the Property at any foreclosure or other sale hereunder, and the amount of Mortgagee's successful bid shall be credited on the Secured Obligations. Without limiting the foregoing, Mortgagee may proceed by a suit or suits in law or equity, whether for specific performance of any covenant or agreement herein contained or in aid of the execution of any power herein granted, or for any foreclosure under the judgment or decree of any court of competent jurisdiction. In addition to the right provided in Subsection 6.3(a), upon, or at any time after the filing of a complaint to foreclose this Mortgage, Mortgagee shall be entitled to the appointment of a receiver of the Property by the court in which such complaint is filed, and Mortgagor and Owner hereby consent to such appointment.

(g) Other Remedies. Mortgagee may exercise all rights and remedies contained in any other instrument, document, agreement or other writing heretofore, concurrently or in the future executed by Mortgagor or any other person or entity in favor of Mortgagee in connection with the Secured Obligations or any part thereof, without prejudice to the right of Mortgagee thereafter to enforce any appropriate remedy against Mortgagor. Mortgagee shall have the right to pursue all remedies afforded to a mortgagee under applicable law, and shall have the benefit of all of the provisions of such applicable law, including all amendments thereto which may become effective from time to time after the date hereof.

(h) Sale of Personal Property. Mortgagee shall have the discretionary right to cause some or all of the Property, which constitutes personal property, to be sold or otherwise disposed of in any combination and in any manner permitted by applicable law.

(i) For purposes of this power of sale, Mortgagee may elect to treat as personal property any Property which is intangible or which can be severed from the Premises or Improvements without causing structural damage. If it chooses to do so, Mortgagee may dispose of any personal property, in any manner permitted by Article 9 of the Uniform Commercial Code of the State in which the Property is located, including any public or private sale, or in any manner permitted by any other applicable law.

(ii) In connection with any sale or other disposition of such Property, Mortgagor and Owner agree that the following procedures constitute a commercially reasonable sale: Mortgagee shall mail written notice of the sale to Mortgagor and Owner not later than thirty (30) days prior to such sale. Mortgagee will publish notice of the sale in a local daily newspaper of general circulation. Upon receipt of any written request, Mortgagee will make the Property available to any bona fide prospective purchaser for inspection during reasonable business hours. Notwithstanding, Mortgagee shall be under no obligation to consummate a sale if, in its judgment, none of the offers received by it equals the fair value of the Property offered for sale. The foregoing procedures do not constitute the only procedures that may be commercially reasonable.

(i) Single or Multiple Foreclosure Sales. If the Property consists of more than one lot, parcel or item of property, Mortgagee may:

(i) Designate the order in which the lots, parcels and/or items shall be sold or disposed of or offered for sale or disposition; and

(ii) Elect to dispose of the lots, parcels and/or items through a single consolidated sale or disposition to be held or made under or in connection with judicial proceedings, or by virtue of a judgment and decree of foreclosure and sale; or through two or more such sales or dispositions; or in any other manner Mortgagee may deem to be in its best interests (any such sale or disposition, a "Foreclosure Sale;" and any two or more, "Foreclosure Sales").

If Mortgagee chooses to have more than one Foreclosure Sale, Mortgagee at its option may cause the Foreclosure Sales to be held simultaneously or successively, on the same day, or on such different days and at such different times and in such order as Mortgagee may deem to be in its best interests. No Foreclosure Sale shall terminate or affect the liens of this Mortgage on any part of the Property which has not been sold, until all of the Secured Obligations have been paid in full.

(j) Power of Sale. Mortgagee may exercise any rights under Article 14 of the Real Property Actions and Proceedings Law of the State of New York with respect to the Property or any portion thereof.

6.4 Credit Bids. At any Foreclosure Sale, any person, including Mortgagor or Mortgagee, may bid for and acquire the Property or any part of it to the extent permitted by then applicable law. Instead of paying cash for such property, Mortgagee may settle for the purchase price by crediting the sales price of the property against the following obligations:

(a) First, the portion of the Secured Obligations attributable to the expenses of sale, costs of any action and any other sums for which Mortgagor is obligated to pay or reimburse Mortgagee under Section 5.9 of this Mortgage; and

(b) Second, all other Secured Obligations in any order and proportions as Mortgagee in its sole discretion may choose.

6.5 Application of Foreclosure Sale Proceeds. Mortgagee shall apply the proceeds of any Foreclosure Sale in the following manner:

(a) First, to pay the portion of the Secured Obligations attributable to the expenses of sale, costs of any action and any other sums for which Mortgagor is obligated to reimburse Mortgagee under Section 5.9 of this Mortgage;

(b) Second, to pay the portion of the Secured Obligations attributable to any sums expended or advanced by Mortgagee under the terms of this Mortgage which then remain unpaid;

(c) Third, to pay all other Secured Obligations in any order and proportions as Mortgagee in its sole discretion may choose; and

(d) Fourth, to remit the remainder, if any, to the person or persons entitled to it.

6.6 Application of Rents and Other Sums. Mortgagee shall apply any and all Rents collected by it, and any and all sums other than proceeds of a Foreclosure Sale which Mortgagee may receive or collect under Section 6.3 above, in the following manner:

(a) First, to pay the portion of the Secured Obligations attributable to the costs and expenses of operation and collection that may be incurred by Mortgagee or any receiver;

(b) Second, to pay all other Secured Obligations in any order and proportions as Mortgagee in its sole discretion may choose; and

(c) Third, to remit the remainder, if any, to the person or persons entitled to it.

Mortgagee shall have no liability for any funds which it does not actually receive.

7. **Miscellaneous Provisions.**

7.1 **Additional Provisions.** The Loan Documents fully state all of the terms and conditions of the parties' agreement regarding the matters mentioned in or incidental to this Mortgage. The Loan Documents also grant further rights to Mortgagee and contain further agreements and affirmative and negative covenants by Mortgagor which apply to this Mortgage and to the Property.

7.2 **No Waiver or Cure.**

(a) Each waiver by Mortgagee must be in writing, and no waiver shall be construed as a continuing waiver. No waiver shall be implied from any delay or failure by Mortgagee to take action on account of any default of Mortgagor or Owner. Consent by Mortgagee to any act or omission by Mortgagor or Owner shall not be construed as a consent to any other or subsequent act or omission or to waive the requirement for Mortgagee's consent to be obtained in any future or other instance.

(b) If any of the events described below occurs, that event alone shall not: cure or waive any breach, Event of Default or notice of default under this Mortgage or invalidate any act performed pursuant to any such default or notice; or nullify the effect of any notice of default or sale (unless all Secured Obligations then due have been paid and performed and all other defaults under the Loan Documents have been cured); or impair the security of this Mortgage; or prejudice Mortgagee or any receiver in the exercise of any right or remedy afforded any of them under this Mortgage; or be construed as an affirmation by Mortgagee of any tenancy, lease or option, or a subordination of the lien of this Mortgage.

(i) Mortgagee, its agent or a receiver takes possession of all or any part of the Property in the manner provided in Subsection 6.3(c).

(ii) Mortgagee collects and applies Rents as permitted under Sections 2.3 and 6.6 above, either with or without taking possession of all or any part of the Property.

(iii) Mortgagee receives and applies to any Secured Obligation any proceeds of any Property, including any proceeds of insurance policies, condemnation awards, or other claims, property or rights assigned to Mortgagee under Section 5.5 above.

(iv) Mortgagee makes a site visit, observes the Property and/or conducts tests as permitted under Section 5.12 above.

(v) Mortgagee receives any sums under this Mortgage or any proceeds of any collateral held for any of the Secured Obligations, and applies them to one or more Secured Obligations.

(vi) Mortgagee or any receiver invokes any right or remedy provided under this Mortgage.

7.3 Powers of Mortgagee.

(a) If Mortgagee performs any act which it is empowered or authorized to perform under this Mortgage, including any act permitted by Section 5.7 or Subsection 6.3(d) of this Mortgage, that act alone shall not release or change the personal liability of any person for the payment and performance of the Secured Obligations then outstanding, or the lien of this Mortgage on all or the remainder of the Property for full payment and performance of all outstanding Secured Obligations. The liability of the original Mortgagor shall not be released or changed if Mortgagee grants any successor in interest to Mortgagor any extension of time for payment, or modification of the terms of payment, of any Secured Obligation. Mortgagee shall not be required to comply with any demand by the original Mortgagor that Mortgagee refuse to grant such an extension or modification to, or commence proceedings against, any such successor in interest.

(b) Mortgagee may take any of the actions permitted under Subsections 6.3(b) and/or 6.3(c) regardless of the adequacy of the security for the Secured Obligations, or whether any or all of the Secured Obligations have been declared to be immediately due and payable, or whether notice of default and election to sell has been given under this Mortgage.

(c) From time to time, Mortgagee may apply to any court of competent jurisdiction for aid and direction in executing and enforcing the rights and remedies created under this Mortgage. Mortgagee may from time to time obtain orders or decrees directing, confirming or approving acts in executing and enforcing these rights and remedies.

7.4 Merger. No merger shall occur as a result of Mortgagee's acquiring any other estate in or any other lien on the Property or if Mortgagee acquires fee simple title to the Premises and Improvements and the lessee's interest under the Lease unless Mortgagee consents to a merger in writing.

7.5 Joint and Several Liability. If Mortgagor consists of more than one person, each shall be jointly and severally liable for the faithful performance of all of Mortgagor's obligations under this Mortgage. Under no circumstances shall the term Mortgagor include Owner.

7.6 Applicable Law. This Mortgage shall be governed by, and construed in accordance with, the laws of the State of New York.

7.7 Successors in Interest. The terms, covenants and conditions of this Mortgage shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties. However, this Section 7.7 does not waive the provisions of Section 6.1 above.

7.8 Interpretation.

(a) Whenever the context requires, all words used in the singular will be construed to have been used in the plural, and vice versa, and each gender will include any other gender. The captions of the sections of this Mortgage are for convenience only and do not define or limit any terms or provisions. The word "include(s)" means "include(s), without limitation," and the word "including" means "including, but not limited to."

(b) The word "obligations" is used in its broadest and most comprehensive sense, and includes all primary, secondary, direct, indirect, fixed and contingent obligations. It further includes all principal, interest, prepayment charges, late charges, loan fees and any other fees and charges accruing or assessed at any time, as well as all obligations to perform acts or satisfy conditions.

(c) No listing of specific instances, items or matters in any way limits the scope or generality of any language of this Mortgage. The Exhibits to this Mortgage are hereby incorporated in this Mortgage.

7.9 In-House Counsel Fees. Whenever Mortgagor is obligated to pay or reimburse Mortgagee for any attorneys' fees, those fees shall include the allocated reasonable costs for services of in-house counsel.

7.10 Waiver of Statutory Rights. To the extent permitted by law, Mortgagor and Owner hereby agree that they shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Mortgagor and Owner for itself and all who may claim through or under them waive any and all right to have the property and estates comprising the Property marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Property sold as an entirety. Mortgagor and Owner hereby waive any and all rights of redemption from sale under any judgment of foreclosure of this Mortgage on behalf of Mortgagor and Owner and on behalf of each and every person acquiring any interest in or title to the Property of any nature whatsoever, subsequent to the date of this Mortgage. The foregoing waiver of right of redemption is made pursuant to the provisions of applicable law.

7.11 Severability. If any provision of this Mortgage should be held unenforceable or void, that provision shall be deemed severable from the remaining provisions and shall in no way affect the validity of this Mortgage except that if such provision relates to the payment of any monetary sum, then Mortgagee may, at its option, declare all Secured Obligations immediately due and payable.

7.12 Notices. Any notice, demand, request or other communication which any party hereto may be required or may desire to give hereunder shall be in writing and shall be deemed to have been properly given (a) if hand delivered, when delivered; (b) if mailed by United States Certified Mail (postage prepaid, return receipt requested), three Business Days after mailing (c) if by Federal Express or other reliable overnight courier service, on the next Business Day after

delivered to such courier service or (d) if by telecopier on the day of transmission so long as copy is sent on the same day by overnight courier as set forth below:

Mortgagor: Episcopal Church Home & Affiliates Life Care Community, Inc.
705 Renaissance Drive
Williamsville, New York 1422124
Attention: Edward C. Weeks, President/CEO
Telephone: (716) 929-5801
Facsimile: (716) 884-6116

With a copy to: Phillips Lytle LLP
3400 HSBC Center
Buffalo, NY 14203
Attention: John A. Pappano, Esq.
Telephone: (716) 847-5404
Facsimile: (716) 852-6100

Owner: Erie County Industrial Development Agency
275 Oak Street
Buffalo, New York 14203
Attn: President/CEO/Executive Director
Telephone: (716)-856-6525
Facsimile: (716)-856-6754

With a copy to: Hurwitz & Fine, P.C.
1300 Liberty Building
Buffalo, NY 14202-3670
Attn: Robert P. Fine, Esq.
Telephone: (716) 849-8900
Facsimile: (716) 855-0874

Mortgagee: KeyBank National Association
127 Public Square
Cleveland, Ohio 44114
Attention: Real Estate Capital Client Services
Telephone: 216-689-7573
Facsimile: 216-689-5970

With a copy to: Edwards & Angell, LLP
101 Federal Street
Boston, MA 02110
Attention: Susan Siebert, Esq.
Telephone: 617-951-2220
Facsimile: 617-439-4170

or at such other address as the party to be served with notice may have furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice.

Any notice or demand delivered to the person or entity named above to accept notices and demands for Mortgagor or Owner shall constitute notice or demand duly delivered to Mortgagor or Owner, as the case may be, even if delivery is refused.

7.13 Maximum Amount Secured. Notwithstanding anything contained herein to the contrary, the maximum amount of indebtedness secured by this Mortgage at execution or which under any contingency may become secured hereby at any time hereafter is \$11,356,079.00, plus (i) all interest accrued thereon (including all interest of the regular interest rate and interest of the default interest rate), (ii) all late charges related thereto, (iii) taxes, charges or assessments which may be imposed by law upon the Premises, (iv) premiums on insurance policies covering the Premises, and (v) expenses incurred in upholding the lien of this Mortgage, including, but not limited to (1) the expenses of any litigation to prosecute or defend the rights and lien created by this Mortgage, and (2) any amount, cost or charges to which the Mortgagee becomes subrogated, upon payment, whether under recognized principles of law or equity, or under express statutory authority.

7.14 Mortgagee's Lien for Service Charge and Expenses. At all times, regardless of whether any Loan proceeds have been disbursed, this Mortgage secures (in addition to any Loan proceeds disbursed from time to time) the payment of any and all loan commissions, service charges, liquidated damages, expenses and advances due to or incurred by Mortgagee not to exceed the maximum amount secured hereby. For purposes hereof, all obligations of Mortgagor to Mortgagee under all Interest Rate Agreements and any indebtedness or obligation contained therein or evidenced thereby shall be considered an obligation of Mortgagor secured hereby.

7.15 WAIVER OF TRIAL BY JURY. MORTGAGOR AND OWNER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT THAT THEY MAY HAVE TO A TRIAL BY JURY IN ANY LITIGATION ARISING IN ANY WAY IN CONNECTION WITH THIS MORTGAGE, THE NOTE, OR ANY OF THE OTHER LOAN DOCUMENTS, THE LOAN OR ANY OTHER STATEMENTS OR ACTIONS OF MORTGAGOR, OWNER OR MORTGAGEE. MORTGAGOR AND OWNER ACKNOWLEDGE THAT THEY HAVE BEEN REPRESENTED IN THE SIGNING OF THIS MORTGAGE AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL SELECTED OF THEIR OWN FREE WILL, AND THAT THEY HAVE DISCUSSED THIS WAIVER WITH SUCH LEGAL COUNSEL. MORTGAGOR AND OWNER FURTHER ACKNOWLEDGE THAT (i) THEY HAVE READ AND UNDERSTAND THE MEANING AND RAMIFICATIONS OF THIS WAIVER, (ii) THIS WAIVER IS A MATERIAL INDUCEMENT FOR MORTGAGEE TO MAKE THE LOAN, ENTER INTO THIS MORTGAGE AND EACH OF THE OTHER LOAN DOCUMENTS, AND (iii) THIS WAIVER SHALL BE EFFECTIVE AS TO EACH OF SUCH OTHER LOAN DOCUMENTS AS IF FULLY INCORPORATED THEREIN.

7.16 Inconsistencies. In the event of any inconsistency between this Mortgage and the Loan Agreement, the terms hereof shall be controlling as necessary to create, preserve and/or maintain a valid security interest upon the Property, and the terms of Section 7.25 of this Mortgage shall be controlling, otherwise the provisions of the Loan Agreement shall be controlling.

7.17 UCC Financing Statements. Mortgagor and Owner hereby authorize Mortgagee to file UCC financing statements to perfect Mortgagee's security interest in any part of the Property. In addition, Mortgagor and Owner agree to sign any and all other documents that Mortgagee deems necessary in its sole discretion to perfect, protect, and continue Mortgagee's lien and security interest on the Property.

7.18 Mortgage Taxes. Mortgagor shall pay any and all taxes, charges, filing, registration and recording fees or taxes, excises and levies imposed upon the Mortgagee by reason of its ownership of the Note or this Mortgage or any mortgage supplemental hereto or by reason of recording this Mortgage, any security instrument with respect to the Premises or any part thereof or any instrument of further assurance, other than income, franchise and doing business taxes, and shall pay all stamp and other taxes, if any, required to be paid on or in respect of the Note. If the Mortgagor fails to make any such payment upon demand then, in addition to all other rights and/or remedies available to the Mortgagee upon the occurrence of an Event of Default, Mortgagee shall have the right, but shall not be obligated, to pay the amount due, and the Mortgagor shall, on demand, reimburse the Mortgagee for said amount, which until so reimbursed to the Mortgagee, shall be deemed to be part of the Indebtedness and shall be secured by the lien of this Mortgage.

7.19 Section 291-f. In connection with the Assignment, Mortgagee shall have all the rights against lessees of the Premises as set forth in Section 291(f) of the New York Real Property Law.

7.20 Insurance Provisions Construed. The provisions hereof shall be construed as affording to Mortgagee rights additional to and not exclusive of the rights conferred under the provisions of Sections 254, 271 and 272 of the New York Real Property Law; provided, however, in the event of any inconsistency between the provisions hereof and the provisions of said Sections 254, 271 and 272, the provisions hereof shall govern. The provisions of subsection 4 of Section 254 of the New York Real Property Law covering insurance of buildings against loss by fire shall not apply to this Mortgage or to the Loan Agreement. In the event of any conflict, inconsistency, or ambiguity between the provisions of this Mortgage (and the Loan Agreement) and the provisions of subsection 4 of Section 254 of the New York Real Property Law covering the insurance of buildings against loss by fire, the provisions of this Mortgage and the Loan Agreement shall control.

7.21 Not Principally Improved. This Mortgage does not cover real property principally improved or to be improved by one or more structures containing in the aggregate not more than six (6) residential dwelling units.

7.22 Trust Fund Provisions.

(a) Mortgagor shall receive all advances and hold the right to receive all advances hereunder, as a trust fund in accordance with the provisions of the Section 13 of the New York Lien Law to be applied first for the purpose of paying the "cost of improvement," as such quoted term is defined in the New York Lien Law before using any part of such advance for any other purpose.

(b) Mortgagor shall indemnify and hold Mortgagee harmless from and against any and all losses, liabilities, proceedings, costs and expenses (including without limitation attorneys fees and disbursements) suffered or incurred by Mortgagee arising out of or relating to any violation or alleged violation by the Mortgagor of the foregoing provisions of this Section or of any applicable law relating thereto, including without limitation, any violation of Article 3-A of the New York Lien Law.

7.23 Advances.

(a) This Mortgage is intended to secure advances made under the Construction Loan Agreement. Notwithstanding anything to the contrary contained in this Mortgage, this Mortgage is intended to constitute a "building loan mortgage" as defined in Section 2(14) of the New York Lien Law.

7.24 Intentionally Deleted.

7.25 Limitation on Owner Liability. Notwithstanding any other term or condition contained in this Mortgage:

(a) This Mortgage is executed by the Owner solely for the purpose of subjecting its interest in the Property to the lien of this Mortgage and for no other purpose. All representations, agreements, covenants and warranties of the Mortgagor herein are hereby deemed to have been made by Mortgagor and not by the Owner.

(b) With respect to the Owner, it is agreed that the Owner, its officers, members, employees, agents and directors shall have no personal liability hereunder, nor in their capacity as officers, members, employees, agents and directors. The Owner has executed this Mortgage to subject its interest in the Property to the lien of this Mortgage; however, the Mortgagee shall have no recourse to the Owner other than to its interest in the Property. No provision, covenant, representations, warranty or agreement contained in this Mortgage or any obligations herein imposed upon the Owner or the breach thereof, shall constitute or give rise to or impose upon the Owner a pecuniary liability or a charge upon its general credit. In making the agreements, provisions representations, warranties and covenants set forth in this Mortgage, the Owner has not obligated itself except with respect to the Property. All covenants, stipulations, promises, agreements, representations, warranties and obligations of the Owner contained herein shall be deemed to be covenants, stipulations, promises, agreements, representations, warranties and obligations of the Owner and not of any member, director, officer, employee or agent of the Owner in his individual capacity, and no recourse shall be had for the payment of the principal of any debt or interest thereon or any of the Secured Obligations or for any claim based thereon or hereunder against any member, direct, officer, employee or agent of the Owner or any natural person executing this Mortgage. No indebtedness or covenant herein contained shall be deemed to constitute a debt of the State of New York or of the County of Erie and neither the State of New York nor County of Erie shall be liable on any covenant herein, nor shall the obligations secured by this Mortgage be payable out of any funds of the Owner other than those pledged therefor. This Mortgage is specifically subordinate to the rights of the Owner to exercise the Agency's Reserved Rights, as defined under the Lease, which Agency's Reserved Rights have not been mortgaged by the Owner hereunder.

(c) No order or decree of specific performance with respect to any of the obligations of the Owner hereunder shall be sought or enforced against the Owner unless the party seeking such order or decree shall first have requested the Owner in writing to take the action sought in such order or decree of specific performance, and ten (10) days shall have elapsed from the date of receipt of such request, and the Owner shall have refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten (10) days, shall have failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period. If the Owner refuses to comply with such request and the Owner's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree may, at its option, place in an account with the Owner an amount or undertaking sufficient to cover such reasonable fees and expenses whereupon the Owner shall agree to comply with such request. If the Owner refuses to comply with such request and the Owner's refusal to comply is based on its reasonable expectation that it or any of its members, officers, directors, servants, agents or employees shall be subject to potential liability, the party seeking such order or decree may, at its option, (1) agree to protect, defend, indemnify and hold harmless the Owner and its members, officers, directors, servants, agents and employees against any liability incurred as a result of its compliance with such request, and (2) if requested by the Owner, furnish to the Owner reasonably satisfactory security to protect the Owner and its members, officers, directors, servants, agents and employees against all liability reasonably expected to be incurred as a result of compliance with such request, whereupon the Owner shall agree to comply with such request. This agreement on the part of the Mortgagee shall not be construed in any way so as to affect or impair the lien of this Mortgage or the Mortgagee's right to foreclose hereunder as provided by law or construed in any way so as to limit or restrict any of the rights or remedies of the Mortgagee in any foreclosure proceedings.

8. Lease.

8.1 With respect to the Lease, Mortgagor hereby warrants and represents as follows: (i) Mortgagor is owner of a valid and subsisting interest as lessee under the Lease; (ii) the Lease is in full force and effect, unmodified by any writing or otherwise except in connection with the Amendment to Lease dated as of June 1, 2005; (iii) all rent, additional rent and other charges reserved therein have been paid to the extent they are payable to the date hereof; (iv) Mortgagor enjoys the quiet and peaceful possession of the property demised thereby; (v) Mortgagor is not in default under any of the terms thereof and there are no defaults by the lessee thereunder under any of the terms thereof beyond the giving of any required notice and the expiration of any applicable cure period; (vi) Mortgagor has not received notice from lessor under the Lease of a default thereunder, which default has not been timely cured; (vii) the Lease or a memorandum thereof has been duly recorded; and (ix) the term of the Lease extends not less than ten (10) years beyond the maturity date of the Note secured hereby.

8.2 Mortgagor will pay or cause to be paid all rent and other charges required under the Lease as and when the same are due and Mortgagor will keep, observe and perform, or cause to be kept, observed and performed, all of the other terms, covenants, provisions and agreements of the Lease on the part of the lessee thereunder to be kept, observed and performed, and will not in any manner, cancel, terminate or surrender, or permit any cancellation, termination or surrender of the Lease, in whole or in part, or, without the written consent of Mortgagee, either orally or in writing, modify, amend or permit any modification or amendment of any of the terms

thereof in any respect, and any attempt on the part of Mortgagor to exercise any such right without such written consent of Mortgagee shall be null and void and of no effect.

8.3 Mortgagor will do, or cause to be done, all things necessary to preserve and keep unimpaired the rights of Mortgagor as lessee under the Lease, and to prevent any default under the Lease, or any termination, surrender, cancellation, forfeiture or impairment thereof, and in the event of the failure of Mortgagor to make any payment required to be made by Mortgagor pursuant to the provisions of the Lease or to keep, observe or perform, or cause to be kept, observed or performed, any of the terms, covenants, provisions or agreements of the Lease, Mortgagor agrees that Mortgagee may (but shall not be obligated to), after notice to Mortgagor (provided, however, that no such notice shall be required to be given after the occurrence of an Event of Default hereunder or under any of the other Loan Documents) take any action on behalf of Mortgagor, to make or cause to be kept, observed or performed any such terms, covenants, provisions or agreements and to enter upon the Premises and take all such action thereof as may be necessary therefor, to the end that the rights of Mortgagor in and to the leasehold estate created by the Lease shall be kept unimpaired and free from default, and all money so expended by Mortgagee, with interest thereon at the Default Rate from the date of each such expenditure, shall be paid by Mortgagor to Mortgagee promptly upon demand by Mortgagee and shall be added to the indebtedness and secured by the Mortgage and Mortgagee shall have, in addition to any other remedy of Mortgagee, the same rights and remedies in the event of non-payment of any such sum by Mortgagor as in the case of a default by Mortgagor in the payment of any sums due under the Note.

8.4 Mortgagor will enforce the obligations of the lessor under the Lease to the end that Mortgagor may enjoy all of the rights granted to it under the Lease, and will promptly notify Mortgagee in writing of any default by the lessor or by Mortgagor in the performance or observance of any of the terms, covenants and conditions on the part of the lessor or Mortgagor, as the case may be, to be performed or observed under the Lease and Mortgagor will promptly advise Mortgagee in writing of the occurrences of any of the events of default enumerated in the Lease and of the giving of any notice by the lessor to Mortgagor of any default by Mortgagor in performance or observance of any of the terms, covenants or conditions of the Lease on the part of the Mortgagor to be performed or observed and will deliver to Mortgagee a true copy of each such notice. If, pursuant to the Lease, the lessor shall deliver to Mortgagee a copy of any notice of default given to Mortgagor, such notice shall constitute full authority and protection to Mortgagee for any action taken or omitted to be taken by Mortgagee in good faith in reliance thereon to cure such default.

8.5 If any action or proceeding shall be instituted to evict Mortgagor or to recover possession of the Premises or for any other purpose affecting the Lease or this Mortgage, Mortgagor will, immediately upon service thereof on or to Mortgagor, deliver to Mortgagee a true copy of each petition, summons, complaint, notice of motion, order to show cause and of all other provisions, pleadings, and papers, however designated, served in any such action or proceeding.

8.6 Mortgagor covenants and agrees that unless Mortgagee shall otherwise expressly consent in writing, the fee title to the property demised by the Lease and the leasehold estate shall not merge but shall always remain separate and distinct, notwithstanding the union of said

estates either in the lessor, Mortgagor, or a third party by purchase or otherwise; and in case Mortgagor acquires the fee title or any other estate, title or interest in the Premises, this Mortgage shall attach to and cover and be a lien upon the fee title or such other estate so acquired, and such fee title or other estate shall, without further assignment, Mortgage or conveyance, become and be subject to the lien of and covered by this Mortgage.

8.7 No release or forbearance of any of Mortgagor's obligations under the Lease, pursuant to the Lease, or otherwise, shall release Mortgagor from any of its obligations under this Mortgage, including its obligation with respect to the payment of rent as provided for in the Lease and the performance of all of the terms, provisions, covenants, conditions and agreements contained in the Lease, to be kept, performed and complied with by the tenant therein.

8.8 Upon the occurrence of an Event of Default, Mortgagor shall not make any election or give any consent or approval (other than the exercise of a renewal right or extension right pursuant to Paragraph 8.10 below) for which a right to do so is conferred upon Mortgagor as lessee under the Lease without Mortgagee's prior written consent. In case of any Event of Default under this Mortgage, all such rights, together with the right of termination, cancellation, modification, change, supplement, alteration or amendment of the Lease, all of which have been assigned for collateral purpose to Mortgagee, shall vest in and be exercisable solely by Mortgagee.

8.9 Mortgagor will give Mortgagee prompt written notice of the commencement of any arbitration or appraisal proceeding under and pursuant to the provisions of the Lease. Mortgagee shall have the right to intervene and participate in any such proceeding and Mortgagor shall confer with Mortgagee to the extent which Mortgagee deems necessary for the protection of Mortgagee. Upon the written request of Mortgagee, if an Event of Default exists, Mortgagor will exercise all rights of arbitration conferred upon it by the Lease. Mortgagor shall select an arbitrator who is approved in writing by Mortgagee, provided, however, that if at the time any such proceeding shall be commenced, Mortgagor shall be in default in the performance or observance of any covenant, condition or other requirement of the Lease, or of this Mortgage, on the part of Mortgagor to be performed or observed, Mortgagee shall have, and is hereby granted, the sole and exclusive right to designate and appoint on behalf of Mortgagor the arbitrator or arbitrators, or appraiser, in such proceeding.

8.10 Mortgagor may exercise any option or right to renew or extend the term of the Lease or exercise the fee option contained therein without the prior written consent of Mortgagee. Mortgagor shall give Mortgagee simultaneous written notice of the exercise of such option or right to renew or extend, together with a copy of the instrument given to the lessor under the Lease exercising such option or right, and, thereafter, shall promptly deliver to Mortgagee a copy of any acknowledgment by the lessor under such Lease with respect to the exercise of such option or right. If such option or right has not been exercised as aforesaid, then not more than three hundred sixty (360) and not less than two hundred seventy (270) days before the right of Mortgagor to exercise any option or right to renew or extend the term of the Lease shall expire, Mortgagor shall give Mortgagee written notice specifying the date, term and manner for which such option or renewal is to be exercised. Within fifteen (15) business days of written demand by Mortgagee, Mortgagor shall exercise any such option or renewal which is necessary to extend the term of the Lease beyond the term of this Mortgage or to comply with any law

affecting Mortgagor or Mortgagee or which is necessary, in Mortgagee's reasonable judgment, to preserve the value of the security intended to be afforded by this Mortgage. Mortgagor shall promptly provide evidence of such exercise of such option or right to Mortgagee's reasonable satisfaction. In the event that Mortgagor fails to so exercise any such option or right or in the event of any default hereunder which is continuing beyond the applicable cure periods, Mortgagor hereby agrees and grants to Mortgagee all right and authority to exercise such option in the name of Mortgagor or in its own name. Nothing contained herein shall affect or limit any rights of Mortgagee granted under the Lease.

8.11 The lien of this Mortgage shall attach to all of Mortgagor's rights and remedies at any time arising under or pursuant to Subsection 365(h) of the Bankruptcy Code, 11 U.S.C. § 365(h), including, without limitation, all of Mortgagor's rights to remain in possession of the Premises.

8.12 Mortgagor shall not, without Mortgagee's prior written consent, elect to treat the Lease as terminated under Subsection 365(h)(1) of the Bankruptcy Code, 11 U.S.C. § 365(h)(1). Any such election made without Mortgagee's consent shall be void.

8.13 Mortgagor hereby unconditionally assigns, transfers and sets over to Mortgagee all of Mortgagor's claims and rights to the payment of damages arising from any rejection of the Lease by lessor or any other fee owner of the Premises under the Bankruptcy Code. Mortgagee shall have the right to proceed in its own name or in the name of Mortgagor in respect of any claim, suit, action or proceeding relating to the rejection of the Lease, including, without limitation, the right to file and prosecute, either in its own name or in the name of Mortgagor, any proofs of claim, complaints, motions, applications, notices and other documents, in any case in respect to the lessor or any fee owner under the Bankruptcy Code. This assignment constitutes a present, irrevocable and unconditional assignment of the foregoing claims, rights and remedies, and shall continue in effect until all of the obligations secured by this Mortgage shall have been satisfied and discharged in full. Any amounts received by Mortgagee as damages arising out of the rejection of the Lease as aforesaid shall be applied first to all costs and expenses of Mortgagee (including, without limitation, attorneys' fees) incurred in connection with the exercise of any of its rights or remedies under this Section and then in accordance with the provisions of this Mortgage. Mortgagor shall promptly make, execute, acknowledge and deliver, in form and substance satisfactory to Mortgagee, a UCC Financing Statement (Form UCC-1) and all such additional instruments, agreements and other documents, as may at any time hereafter be required by Mortgagee to effectuate and carry out the assignment made pursuant to this Section.

8.14 If pursuant to Subsection 365(h)(2) of the Bankruptcy Code, 11 U.S.C. § 365(h)(2), Mortgagor shall seek to offset against the rent reserved in the Lease the amount of any damages caused by the nonperformance by the lessor or any fee owner of any of their obligations under the Lease after the rejection by the lessor or any fee owner of the Lease under the Bankruptcy Code, Mortgagor shall, prior to effecting such offset, notify Mortgagee of its intent to do so, setting forth the amounts proposed to be so offset and the basis therefor. Mortgagee shall have the right to object to all or any part of such offset that, in the reasonable judgment of Mortgagee, would constitute a breach of the Lease, and in the event of such objection, Mortgagor shall not effect any offset of the amounts so objected to by Mortgagee.

Neither Mortgagee's failure to object as aforesaid nor any objection relating to such offset shall constitute an approval of any such offset by Mortgagee.

8.15 If any action, proceeding, motion or notice shall be commenced or filed in respect of the lessor or any fee owner, the Premises or the Lease in connection with any case under the Bankruptcy Code, Mortgagee shall have the option, exercisable upon notice from Mortgagee to Mortgagor, to conduct and control any such litigation with counsel of Mortgagee's choice. Mortgagee may proceed in its own name or in the name of Mortgagor in connection with any such litigation, and Mortgagor agrees to execute any and all powers, authorizations, consents or other documents reasonably required by Mortgagee in connection therewith. Mortgagor shall, upon demand, pay to Mortgagee all costs and expenses (including attorneys' fees) paid or incurred by Mortgagee in connection with the prosecution or conduct of any such proceedings. Any such costs or expenses not paid by Mortgagor as aforesaid shall be secured by the lien of this Mortgage and shall be added to the principal amount of the indebtedness secured hereby. Mortgagor shall not commence any action, suit, proceeding or case, or file any application or make any motion (unless such motion is for the purpose of protecting the Lease and its value as security for the obligations secured by this Mortgage), in respect of the Lease in any such case under the Bankruptcy Code without the prior written consent of Mortgagee, which consent shall not be unreasonably withheld or delayed.

8.16 Mortgagor shall, after obtaining knowledge thereof, promptly notify Mortgagee of any filing by or against the lessor or other fee owner of a petition under the Bankruptcy Code. Mortgagor shall promptly deliver to Mortgagee, following receipt, copies of any and all notices, summonses, pleadings, applications and other documents received by Mortgagor in connection with any such petition and any proceedings relating thereto.

8.17 If there shall be filed by or against Mortgagor a petition under the Bankruptcy Code and Mortgagor, as lessee under the Lease, shall determine to reject the Lease pursuant to Section 365(a) of the Bankruptcy Code, Mortgagor shall give Mortgagee not less than thirty (30) days' prior notice of the date on which Mortgagor shall apply to the Bankruptcy Court for authority to reject the Lease. Mortgagee shall have the right, but not the obligation, to serve upon Mortgagor within such thirty (30) day period a notice stating that Mortgagee demands that Mortgagor assume and assign the Lease to Mortgagee pursuant to Section 365 of the Bankruptcy Code. If Mortgagee shall serve upon Mortgagor the notice described in the preceding sentence, Mortgagor shall not seek to reject the Lease and shall comply with the demand provided for in the preceding sentence.

8.18 Notwithstanding anything to the contrary contained herein, this Mortgage shall not constitute an assignment of the Lease and Mortgagee shall have no liability or obligation thereunder by reason of its acceptance of this Mortgage.

8.19 Owner hereby certifies and confirms to Mortgagee as follows:

(a) As of the date hereof, the Lease is in full force and effect and has not been modified, amended or supplemented by Owner.

(b) Owner has not received any written notice that an event has occurred or

circumstance exists which, with the passage of time or the giving of notice or both would constitute a default by either party under the Lease.

8.20 In connection with the Lease, Owner has issued certain Life Care Community Revenue Bonds (the "Bonds") pursuant to an Indenture of Trust dated as of February 1, 1998 (the "Bond Indenture") between Owner and Manufacturers and Traders Trust Company, as Trustee (the "Bond Trustee"), which was recorded with the Erie County Clerk on February 20, 1998 in Liber 10927 of Deeds at Page 8390. In order to secure such Bonds, Owner and Mortgagor have granted to the Bond Trustee certain mortgages each dated as of February 1, 1998 and recorded with the Erie County Clerk on February 20, 1998 in Liber 12774 of Mortgages at Page 5817, Liber 12774 of Mortgages at Page 5868, and Liber 12774 of Mortgages at Page 5927 respectively (collectively, the "Trustee Mortgages"). The Lease, the Bond Indenture, the Bonds, the Trustee Mortgages and all of the other agreements entered into or delivered in connection therewith are collectively referred to herein as the "Bond Documents". Mortgagor represents that all required consents to the execution of this Mortgage under the Bond Documents have been obtained, and the Bond Trustee, Mortgagee, Mortgagor and Owner have entered into a certain Intercreditor Agreement of even date pursuant to which the parties have set forth the relative lien priority of the Trustee Mortgages and this Mortgage.

8.21 Notwithstanding anything to the contrary set forth herein, Owner shall not be required to undertake any action that Owner determines to be not permitted under the Bond Documents, nor shall Owner be required to refrain from taking any action that Owner determines to be required under the Bond Documents, without receiving the prior written consent from such parties as may be required pursuant to the Bond Documents.

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage as of the date first above written.

EPISCOPAL CHURCH HOME & AFFILIATES
LIFE CARE COMMUNITY, INC.

By: 

EDWARD C. WEEKS
President

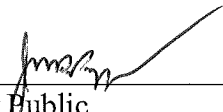
ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 

David W. Kerchhoff
Assistant Treasurer

STATE OF NEW YORK)
) SS:
COUNTY OF ERIE)

On the 17th day of June, in the year 2005, before me, the undersigned personally appeared EDWARD C. WEEKS personally known to me or provide to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

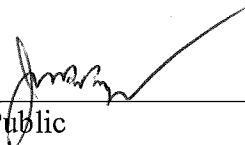


Notary Public
Commission expires:

JOHN A. PAPPANO
Notary Public, State of New York
Qualified in Erie County
My Commission Expires 02/25/20 07

STATE OF NEW YORK)
) SS:
COUNTY OF ERIE)

On the 17th day of June, in the year 2005, before me, the undersigned personally appeared DAVID W. SCHNEIDER personally known to me or provide to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.



Notary Public
Commission expires:

JOHN A. PAPPANO
Notary Public, State of New York
Qualified in Erie County
My Commission Expires 02/25/20 07

~~SCHEDULE~~
EXHIBIT
SCHEDULE A - DESCRIPTION

PARCEL I

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Amherst, County of Erie and State of New York, being part of Lot No. 92, Township 12, Range 7 of the Holland Land Company's Survey, and more particularly described as follows:

BEGINNING at an iron pipe found at the intersection of the east line of Youngs Road Extension said line also being the west line of said Lot No. 92, with the south line of lands conveyed to Episcopal Church Home & Affiliates Life Care Community, Inc. by deed recorded in the Erie County Clerk's Office in Liber 10921 of Deeds at page 1715, said south line also being described in boundary line agreement recorded in the Erie County Clerk's Office in Liber 642 of Deeds at page 606;

1. Thence N 00°46'36" E along said east line of Youngs Road Extension, a distance of 1,403.78 feet to a point in the south line of Klein Road as described in deed to the Town of Amherst recorded in the Erie County Clerk's Office in Liber 10926 of Deeds at page 9596;
2. Thence S 86°32'36" E along said south line of Klein Road a distance of 1,343.45 feet;
3. Thence S 03°27'24" W a distance of 575.10 feet;
4. Thence S 26°03'35" E a distance of 91.34 feet;
5. Thence S 26°19'40" W a distance of 106.62 feet;
6. Thence S 09°26'09" W a distance of 54.44 feet;
7. Thence S 25°09'10" W a distance of 63.32 feet;
8. Thence S 07°54'28" E a distance of 106.15 feet;
9. Thence S 32°42'46" W a distance of 40.63 feet to a point of curvature on a non-tangent curve deflecting to the right;
10. Thence southeasterly along the arc of said curve having a radius of 235.49 feet a chord bearing and distance of S 26°50'45" E, 237.64 feet, an arc distance of 249.09 feet;
11. Thence S 03°27'24" W a distance of 92.02 feet to a point of curvature on a non-tangent curve deflecting to the right;
12. Thence easterly along the arc of said curve having a radius of 635.0 feet a chord bearing and distance of S 80°21'19" E, 100.05 feet, an arc distance of 100.16 feet;
13. Thence S 75°50'12" E a distance of 102.86 feet to a point of curvature;
14. Thence easterly along the arc of a curve deflecting to the left having a radius of 565.0 feet, an arc distance of 105.58 feet;

EXHIBIT
SCHEDULE A - DESCRIPTION (Continued)

15. Thence S 86°32'36" E a distance of 158.0 feet to a point in the west line of Ayer Road as described in said deed to the Town of Amherst recorded in Liber 10926 of Deeds at page 9596;
16. Thence S 17°51'02" W along said west line of Ayer Road a distance of 61.94 feet to a point in said south line of lands of Episcopal Church Home & Affiliates Life Care Community, Inc. as described in said deed recorded in Liber 10921 of Deeds at page 1715;
17. Thence N 86°32'36" W along said south line of Episcopal Church Home & Affiliates Life Care Community, Inc. a distance of 1821.36 feet to the **POINT OF BEGINNING**.

EXCEPTING therefrom that portion of Renaissance Drive, a public road, located within the above described lands as conveyed to the Town of Amherst by deed recorded in the Erie County Clerk's Office in Liber 10954 of Deeds at page 5277.

PARCEL II

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Amherst, County of Erie, State of New York, being part of Lot No. 92, Township 12, Range 7 of the Holland Land Company's Survey and more particularly described as follows:

BEGINNING at the intersection of the south line of Klein Road with the west line of Ayer Road, as said south and west lines are described in deed to the Town of Amherst recorded in the Erie County Clerk's Office in Liber 10926 of Deeds at page 9596;

1. Thence S 03°46'56" W along said west line of Ayer Road a distance of 1,204.41 feet to an angle point;
2. Thence S 17°51'02" W continuing along said west line of Ayer Road a distance of 142.32 feet;
3. Thence N 86°32'36" W a distance of 158.0 feet;
4. Thence westerly along the arc of a curve deflecting to the right having a radius of 565.0 feet, an arc distance of 105.58 feet;
5. Thence N 75°50'12" W a distance of 102.86 feet to a point of curvature;
6. Thence westerly along the arc of a curve deflecting to the left having a radius of 635.0 feet, a chord bearing and distance of N 80°21'19" W, 100.05 feet, an arc distance of 100.16 feet;
7. Thence N 03°27'24" E a distance of 92.02 feet to a point of curvature;
8. Thence northwesterly along the arc of a curve deflecting to the left, having a radius of 235.49 feet, a chord bearing and distance of N 26°50'45" W, 237.64 feet, an arc distance of 249.09 feet;

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SCHEDULE A - DESCRIPTION (Continued)

9. Thence N 32°42'46" E a distance of 40.63 feet;
10. Thence N 07°54'28" W a distance of 106.15 feet;
11. Thence N 25°09'10" E a distance of 63.32 feet;
12. Thence N 09°26'09" E a distance of 54.44 feet;
13. Thence N 26°19'40" E a distance of 106.62 feet;
14. Thence N 26°03'35" W a distance of 91.34 feet;
15. Thence N 03°27'24" E a distance of 575.10 feet to a point in said south line of Klein Road as described in said deed to the Town of Amherst recorded in Liber 10926 of Deeds at page 9596;
16. Thence S 86°32'36" E along said south line of Klein Road a distance of 601.17 feet to the **POINT OF BEGINNING.**

EXCEPTING therefrom that portion of Renaissance Drive, a public road, located within the above described lands as conveyed to the Town of Amherst by deed recorded in the Erie County Clerk's Office in Liber 10954 of Deeds at page 5277.

Parcel I and Parcel II above being a portion of the same premises granted and conveyed in fee by Episcopal Church Home & Affiliates Life Care Community, Inc. to Erie County Industrial Development Agency by deed dated February 11, 1998 and recorded in the Erie County Clerk's Office February 20, 1998 in Liber 10927 of Deeds at page 8372.

AFFIDAVIT REQUESTING EXEMPTION UNDER
SECTION 874 OF THE NEW YORK
GENERAL MUNICIPAL LAW

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

David W. Kerchoff, being duly sworn, deposes and says that he is an Assistant Treasurer of the ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (hereinafter referred to as the "Mortgagor").

That a mortgage dated June 17, 2005, from Mortgagor and Episcopal Church Home & Affiliates Life Care Community, Inc. to KeyBank National Association, in the amount of \$11,356,079.00 is about to be recorded in the Erie County Clerk's Office.

That the Mortgagor is an industrial development agency organized pursuant to Article 18-A of the New York General Municipal Law.


That pursuant to Section 874 of the General Municipal Law, this mortgage is exempt from the mortgage recording taxes.

WHEREFORE, deponent respectfully requests that this mortgage be declared exempt from taxation pursuant to Section 874 of the General Municipal Law and requests that the Erie County Clerk accept the mortgage for recording without payment of the mortgage recording tax.



David W. Kerchoff

Sworn to before me this
17th day of June, 2005.



Notary Public

CHRISTOPHER J. HURLEY
Notary Public, State of New York
Qualified in Erie County
My Commission Expires 7.24.05

AFFIDAVIT REQUESTING EXEMPTION UNDER
SECTION 874 OF THE NEW YORK
GENERAL MUNICIPAL LAW

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

David W. Kerchoff, being duly sworn, deposes and says that he is an Assistant Treasurer of the ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (hereinafter referred to as the "Mortgagor").

That a mortgage dated June 17, 2005, from Mortgagor and Episcopal Church Home & Affiliates Life Care Community, Inc. to KeyBank National Association, in the amount of \$2,173,921.00 is about to be recorded in the Erie County Clerk's Office.

That the Mortgagor is an industrial development agency organized pursuant to Article 18-A of the New York General Municipal Law.

That pursuant to Section 874 of the General Municipal Law, this mortgage is exempt from the mortgage recording taxes.

WHEREFORE, deponent respectfully requests that this mortgage be declared exempt from taxation pursuant to Section 874 of the General Municipal Law and requests that the Erie County Clerk accept the mortgage for recording without payment of the mortgage recording tax.



David W. Kerchoff

Sworn to before me this
17th day of June, 2005.



Notary Public

CHRISTOPHER J. HURLEY
Notary Public, State of New York
Qualified in Erie County 7.31.05
My Commission Expires _____

INTERCREDITOR AGREEMENT

This Intercreditor Agreement, dated as of June 17, 2005 (this "Intercreditor Agreement" or this "Agreement"), is by and among MANUFACTURERS AND TRADERS TRUST COMPANY, a New York banking corporation, as Trustee (the "Bond Trustee") under the below-described Bond Indenture, KEYBANK NATIONAL ASSOCIATION, a national banking association (the "Bank"), EPISCOPAL CHURCH HOME & AFFILIATES LIFE CARE COMMUNITY, INC., a New York not-for-profit corporation (the "Borrower") and the ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a New York public benefit corporation (the "Agency" and, together with the Borrower, the "Mortgagors").

WHEREAS, the Agency has issued its Life Care Community Revenue Bonds, Series 1998A (Episcopal Church Home & Affiliates Life Care Community, Inc. Project - Series 1998A) in the aggregate principal amount of \$42,090,000 (the "Series A Bonds"), and its Life Care Community Revenue Bonds (Episcopal Church Home & Affiliates Life Care Community, Inc. Project - Series 1998B) in the aggregate principal amount of \$16,650,000 (the "Series B Bonds" and, collectively with the Series A Bonds, the "Bonds") pursuant to an Indenture of Trust dated as of February 1, 1998 and recorded on February 20, 1998 in Liber 10927 of Deeds at page 8390 between the Agency and the Bond Trustee (the "Bond Indenture"); and

WHEREAS, the Bonds were issued for the purpose of financing of a continuing care retirement community consisting of 203 independent living units, 48 skilled nursing beds, 32 enriched housing units and related common areas, located on an approximately 62-acre site located in the Town of Amherst, New York and more particularly described on Schedule A attached hereto (collectively, together with all improvements, fixtures and personal property located thereon, the "Original Facility"); and

WHEREAS, the Agency has acquired the Land (as described on Schedule A attached and as defined in the Bank Loan Agreement referred to below), and has leased the Land to the Borrower pursuant to a Lease Agreement dated as of February 1, 1998 between the Agency and the Borrower, as amended pursuant to a certain Amendment to Lease Agreement, dated as of June 1, 2005 (collectively, the "Lease Agreement"), pursuant to which the Borrower is obligated to make rental payments to the Bond Trustee, as the Agency's assignee, corresponding to the principal and interest payable on the Bonds; and

WHEREAS, in order to secure the Bonds, the Mortgagors have granted to the Bond Trustee (i) a first mortgage lien on and security interest in the Project (as defined below) pursuant to an Agency Mortgage, Assignment of Rents and Security Agreement (Acquisition Loan) dated as of February 1, 1998 and recorded on February 20, 1998 in Liber 12774 of Mortgages at page 5817 (the "Acquisition Cost Mortgage"), (ii) a second mortgage lien and security interest in the Project pursuant to an Agency Mortgage, Assignment of Rents and Security Agreement (Building Loan) dated as of February 1, 1998 and recorded on February 20, 1998 in Liber 12774 of Mortgages at page 5868 (as amended from time to time, the "Building Loan Mortgage") and (iii) a third mortgage lien on and security interest in the Project pursuant to an Agency Mortgage, Assignment of Rents and Security Agreement (Indirect Loan) dated as of February 1, 1998 and recorded on February 20, 1998 in Liber 12774 of Mortgages at page 5927

(the "Indirect Cost Mortgage" and, together with the Acquisition Cost Mortgage and the Building Loan Mortgage, the "Trustee Mortgages"); and

WHEREAS, to secure its obligations under the Lease Agreement, the Borrower has (i) granted to the Bond Trustee a security interest in its Gross Revenues (as defined in the Lease Agreement) pursuant to a Security Agreement dated as of February 1, 1998 (the "Trustee Security Agreement") and (ii) has executed and delivered to the Bond Trustee for the benefit of the Bondholders the other Trustee Assignments (as hereinafter defined), the liens of which are evidenced by financing statements number Q441182 and Q441160, both filed in the Erie County Clerk's Office on February 20, 1998 and continued September 26, 2002 (the "Financing Statements"); and

WHEREAS, the Borrower has requested the Bank to enter into a Construction Loan Agreement dated as of June 17, 2005 (the "Construction Loan Agreement") and a Building Loan Agreement dated as of June 17, 2005 (the "Building Loan Agreement" and, together with the Construction Loan Agreement, the "Bank Loan Agreement") in order to provide loans (the "Bank Loans"), the proceeds of which will be available to fund a portion of the costs of construction and equipping of the 40-unit expansion of the Original Facility (the "New Facility" and, together with the Land and the Original Facility, the "Project"); and

WHEREAS, to secure its obligations under the Bank Loan Agreement and the Loan Documents (as defined therein), the Mortgagors have granted to the Bank, pursuant to a Project Loan Mortgage, Assignment of Rents, Security Agreement and Fixture Filing in the principal amount of \$2,173,921 (the "Project Mortgage") and a Building Loan Mortgage, Assignment of Rents, Security Agreement and Fixture Filing in the principal amount of \$11,356,079.00 (the "Building Mortgage", and collectively with the Project Mortgage, the "Bank Mortgage") to be recorded concurrently herewith, a mortgage lien on the Mortgagor's interest in the Project, and, pursuant to the below-described Bank Assignments, the Borrower has also granted to the Bank a security interest in the Borrower's accounts receivable, the fixtures, furnishings and equipment included in the New Facility and the other collateral referred to therein; and

WHEREAS, certain funds created and held under the Bond Indenture are being held by the Bond Trustee for the benefit of the holders of the Bonds as described therein; and

WHEREAS, the Bank and the Bond Trustee desire to enter into this Intercreditor Agreement to set forth certain of their respective rights and obligations with respect to property subject to the liens and security interests granted by the Bond Documents, the Bank Mortgage and the Bank Assignments.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements set forth herein, and intending to be legally bound the Bank, the Borrower, the Agency and the Bond Trustee agree as follows:

Section 1. Definitions. In addition to the terms defined in the recitals and elsewhere in this Intercreditor Agreement, the following terms as used herein shall have the following meanings:

"Acceleration" means acceleration of any of the Bonds or the Bank Obligations.

“Assignments” means, collectively, the Bank Assignments and the Trustee Assignments.

“Bank Assignments” means (i) the Collateral Assignment of Leases and Rents from the Borrower to the Bank; (ii) the Assignment of Construction Documents from the Borrower to the Bank; (iii) the Bank Security Agreement; and (iv) the various collateral assignments and other agreements from the Borrower to the Bank.

“Bank Documents” means the Bank Loan Agreement, the Bank Note, the Bank Mortgage, the Bank Assignments and each other “Loan Document” defined in either Bank Loan Agreement.

“Bank Obligations” means, as of any date of calculation, the aggregate principal amount of Bank Loans then outstanding, plus accrued and unpaid interest thereon to such date, and any other amounts then due and owing to the Bank pursuant to any of the Bank Documents.

“Bank Security Agreement” means the Security Agreement (All Assets) given by the Borrower to the Bank.

“Bond Documents” means, collectively, the Bonds, the Bond Indenture, the Trustee Mortgages and the Trustee Assignments.

“Bond Obligations” means, as of any date of calculation, the aggregate principal amount of the Bonds outstanding, plus accrued interest thereon to such date, premium and all other amounts then due and owing to the Bond Trustee or the Bondholders pursuant to the Bond Indenture.

“Bondholders” has the meaning assigned to that term in the Bond Indenture.

“Business Day” means any day other than (i) a Saturday or Sunday or a legal holiday on which banking institutions in Cleveland, Ohio are authorized to close or (ii) a day on which the New York Stock Exchange is closed.

“Collateral Proceeds” means all proceeds of the Shared Collateral received after the initiation of a Foreclosure by the Bank or the Bond Trustee.

“Entrance Fee Fund” means the Entrance Fee Fund created and held under the Bond Indenture.

“Event of Default” is defined in Section 3.

“Facility” means the Original Facility and the New Facility, together.

“Foreclosure” means any foreclosure, receivership or other enforcement proceeding under any Trustee Mortgage or any Trustee Assignment or under the Bank Mortgage or any Bank Assignment, or any acceptance, in lieu of foreclosure, of a deed to all or any portion of the Shared Collateral.

“Gross Revenues” means “Gross Revenues” as defined in the Lease Agreement.

“Loan Documents” means, collectively, the Bond Documents and the Bank Documents.

“Obligations” means, collectively, the Bank Obligations and the Bond Obligations.

“Operating Reserve Fund” means the Operating Reserve Fund created and held under the Bond Indenture.

“Percentage” has the meaning specified in Section 2(b).

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, limited liability company, trust (including any beneficiary thereof), unincorporated organization or government or any agency or political subdivision thereof.

“Pro Rata” means pro rata in accordance with the respective Percentages of the Bond Trustee and the Bank, determined in each case as of the date of initiation of any Foreclosure.

“Renewal Fund” means the Renewal Fund created and held under the Bond Indenture.

“Shared Collateral” means: (i) the Project and the Borrower’s Gross Revenues and the other properties and proceeds subject to the lien and security interest of both the Trustee Mortgages and the Bank Mortgage; and (ii) all contracts, rights and interests that are subject to any of the Assignments. All collateral in which a lien has been granted or hereafter is granted by the Borrower to the Bank and/or to the Bond Trustee in order to secure any Obligations will be deemed Shared Collateral, with the result that the realization on any such collateral and the disposition of any proceeds of any such collateral will be subject to the terms of this Intercreditor Agreement.

“Shared Funds” means each of the Entrance Fee Fund, the Working Capital Fund, the Renewal Fund and the Operating Reserve Fund.

“Trustee Assignments” means the Trustee Security Agreement, the Bond Indenture, and all other collateral assignments and security agreements now or hereafter delivered by the Borrower to the Bond Trustee.

“Trustee Mortgages” has the meaning set forth in the Recitals above.

“Trustee Security Agreement” has the meaning set forth in the Recitals above.

“Working Capital Fund” means the Working Capital Fund created and held under the Bond Indenture.

Section 2. Parity Security; Definition of Percentage.

(a) To secure payment of the Obligations, the Bank’s liens under the Bank Mortgage and the Bank Assignments, on the one hand, and the Bond Trustee’s liens under the Trustee Mortgage and the Trustee Assignments (as perfected by the filing of the Financing Statements), on the other hand, shall be parity first liens on and security interests in the Shared Collateral.

Such liens of the Bank and the Bond Trustee shall, notwithstanding the order of recordation, filing or perfection, be deemed to be parity liens.

(b) Notwithstanding any other provision of applicable law that would afford any lien of the Bank or the Bond Trustee on the Shared Collateral priority over the lien of the other, the liens of the Bank and the Bond Trustee in the Shared Collateral are parity liens held by each of the Bank and the Bond Trustee on a pari passu basis, on the terms set forth in this Intercreditor Agreement.

(c) The "Bond Trustee's Percentage", for purposes of this Agreement, shall be equal to a percentage, the numerator of which is the Bond Obligations and the denominator of which is the sum of the Bond Obligations and the Bank Obligations. The "Bank's Percentage", for purposes of this Agreement, shall be equal to a percentage, the numerator of which is the Bank Obligations and the denominator of which is the sum of the Bank Obligations and the Bond Obligations. The Bond Trustee's Percentage and the Bank's Percentage (each, a "Percentage") may change from time to time as payments are received under the Bond Documents or the Bank Documents, and, unless another date is set forth, will be calculated as of the relevant determination date. Each of the Bank and the Bond Trustee will, at the written request of the other, execute all certificates and other instruments reasonably required by the other party to confirm each party's respective Percentage, and the status of defaults and other matters under the Loan Documents.

(d) In the event that a bankruptcy trustee, receiver, referee or a court of competent jurisdiction, or either Mortgagor as debtor in possession, asserts a claim against any moneys paid by the Borrower to the Bank or to the Bond Trustee for application to the principal or redemption price of or interest on the Bank Obligations or the Bond Obligations, respectively, including any claim that such moneys constitute part of the Borrower's bankruptcy estate or are subject to recapture as a preferential transfer, then such moneys (the "Bankruptcy Disbursed Funds") shall be added to the Bank Obligations or the Bond Obligations, as applicable, but only so long as a final nonappealable judgment or order has not been entered to the effect that such Bankruptcy Disbursed Funds do not constitute part of the Borrower's bankruptcy estate.

Section 3. Events of Default. The term "Event of Default" as used herein shall mean any "Event of Default" as defined in the Bank Documents or the Bond Documents, it being intended that either the Bank or the Bond Trustee may declare or decline to declare an Event of Default under its respective documents, to the extent permitted therein.

Section 4. Notice of Foreclosure; Acceleration. (a) At least (10) Business Days prior to exercising any Foreclosure remedy (or, if the Shared Collateral threatens to decline speedily in value or if there are other rights or remedies that may be prejudiced, such shorter period as may be practicable under the circumstances), the Bond Trustee or the Bank, as applicable, shall give notice to the other and, if reasonably practicable, shall afford the other the opportunity to join in the applicable Foreclosure proceedings. Such notice shall specify the nature of the contemplated Foreclosure action and the underlying Event of Default. After the initial Foreclosure action, each of the Bank and the Bond Trustee shall give the other reasonable notice of subsequent Foreclosure actions.

(b) Each of the Bank and the Bond Trustee shall give the other prompt notice upon any Acceleration.

Section 5. Procedure Upon Foreclosure.

(a) Upon institution of Foreclosure, the Bank and the Bond Trustee shall confer and determine a mutually agreeable course of action for conducting the Foreclosure proceedings. In such event, (i) such action shall be undertaken and pursued with due diligence and reasonable attention to the rights and interests of the Bank and the Bond Trustee so as to carry out the intent of this Intercreditor Agreement and the parties shall cooperate with each other to the extent reasonable under the circumstances, (ii) unless the Shared Collateral is conveyed directly to a third party, title to the Shared Collateral shall be taken in the name of the Bank and the Bond Trustee, or the respective nominees or designees selected by them, and each party shall have an undivided interest in the Shared Collateral equal to their respective Percentages and (iii) if such title is taken, the Bank and the Bond Trustee, respectively, waive any statutory or common law right of partition or any other similar rights or remedies and agree to consult as to the best manner in which to proceed with respect to the completion of construction, operation, management and disposition of the Shared Collateral. The costs and expenses of prosecuting the Foreclosure or similar action shall be borne Pro Rata by the Bond Trustee and the Bank.

(b) Any Foreclosure proceeds shall be distributed between the Bank and the Bond Trustee in accordance with Section 6.

(c) Any Foreclosure proceeds which have been claimed by a bankruptcy trustee, receiver, referee or a court of competent jurisdiction (the "Foreclosure Bankruptcy Funds") shall not be distributed as described above but shall be divided on the basis of the Bond Trustee's Percentage and the Bank's Percentage therein and the corresponding amounts shall be placed in interest bearing accounts with the Bond Trustee and the Bank to the extent not required to be held by such bankruptcy trustee, receiver, referee or court until a final determination with respect to the Foreclosure Bankruptcy Funds has been made. Upon such determination, if any Foreclosure Bankruptcy Funds proceeds must be paid to such bankruptcy trustee, receiver, referee or other third party, such amounts shall be paid from the accounts held by the Bond Trustee and the Bank in accordance with Section 6; and all remaining Foreclosure Bankruptcy Funds which are permitted under such determination to be paid to the Bond Trustee and the Bank and all interest accrued thereon shall be distributed to the Bond Trustee and to the Bank in accordance with the Bond Trustee's Percentage and the Bank's Percentage as determined as of the date of the Foreclosure sale.

Section 6. Distribution of Proceeds.

(a) Distribution of Collateral Proceeds. All Collateral Proceeds shall be distributed in the following order of priority:

first, if such Collateral Proceeds are distributed prior to the consummation of a sale or other liquidation of the Shared Collateral in the Foreclosure, to the expenses of operating the Facility, to the extent that the Bond Trustee and the Bank may agree on such expenses (and the Bond Trustee and the Bank agree to cooperate in good faith to reach agreement);

second, to pay the reasonable costs and expenses incurred in collecting such Collateral Proceeds;

third, to pay any outstanding obligation under Section 8;

fourth, to the extent that the distribution of all Collateral Proceeds has theretofore been made in a manner other than Pro Rata , in such manner as may be necessary to cause the Collateral Proceeds distributed to have been distributed Pro Rata; and

fifth, Pro Rata; and

sixth, once the Obligations have been paid in full and in cash, to the Borrower.

(b) Holding of Proceeds. Until distribution to the Bank or the Bond Trustee, as the case may be, pursuant to the provisions of this Section 6, all Collateral Proceeds shall be held by the Bond Trustee or the Bank in a segregated account and in trust under this Intercreditor Agreement, for application in accordance herewith.

(c) Application of Distributed Proceeds. The Collateral Proceeds distributed pursuant to this Section 6 shall be applied to the payment of the Bank Obligations as provided in the Bank Documents and to the Bond Obligations as provided in the Bond Documents.

(d) Advances. If the Bank or the Bond Trustee shall make any advances under any of the Bank Documents or under the Bond Documents for the purpose of preserving or protecting any Shared Collateral, then any such advances shall be repaid to the party making same (from the proceeds of the Shared Collateral) prior to any distribution to either party from proceeds of Shared Collateral on account of its respective Percentage.

Section 7. Attorney. In the event that the Bank and the Bond Trustee join in Foreclosure, the Bank and the Bond Trustee shall cooperate and use reasonable efforts to find a mutually acceptable attorney to commence such actions on behalf of the Bank and the Bond Trustee (provided each party shall be permitted to consult with its own attorney in addition to the attorney so employed on behalf of the Bank and the Bond Trustee).

Section 8. Casualty and Condemnation Proceeds.

(a) The Bond Trustee and Bank acknowledge:

(i) that each will be loss payee under all casualty insurance policies maintained by either Mortgagor with respect to the Shared Collateral;

(ii) that each will have a pro rata interest based on their respective Percentages in all title insurance, casualty insurance and condemnation proceeds in respect of the Shared Collateral; and

(iii) that each will cooperate reasonably to effect, and will join in any application of the other to any governmental authority, insurance company or other person to cause, the distribution of all casualty or condemnation proceeds pro rata in accordance with their respective Percentages as of the date of determination.

(b) If any casualty insurance or condemnation proceeds are received by either the Bond Trustee or the Bank (or jointly by them), each party shall turn over to the other such proceeds so received, or take such action as may be necessary, to effect distribution of such proceeds as contemplated by clause (c) below.

(c) All such insurance and condemnation proceeds shall be distributed to the Bond Trustee and the Bank, in accordance with their respective Percentages, unless the Bank elects or the Bank and the Borrower have agreed pursuant to the terms of the Bank Documents that such proceeds are to be paid to the Bond Trustee for deposit in the Renewal Fund so that they may be used for replacement, rebuilding, repair or restoration. Any proceeds of title insurance received by either the Bond Trustee or the Bank with respect to any Shared Collateral shall be dealt with in the same manner as proceeds of casualty insurance.

Section 9. Administration of Bank Documents and Bond Documents.

(a) Except as otherwise provided herein, the Bank shall retain all rights with respect to the enforcement and administration of the Bank Documents and collection of all amounts due thereunder. The Bank, in acting hereunder and under the Bank Documents, shall not be liable for any error of judgment or mistake of fact and shall not be liable for any acts of omission or commission, unless the same are caused by its own willful misconduct or negligence. The Bank may act in reliance on all instructions (written or telephonic), instruments, documents or signatures believed by it to be genuine and may assume that any person purporting to act or give notices, writings, advice or instructions is duly authorized by the appropriate party to do so. The Bank may rely upon the opinion of counsel and any action taken in reliance on such opinion shall be deemed to have been reasonable. None of the directors, officers or employees of the Bank, nor any other person assisting the Bank or any of them in their duties, nor any agent or employee thereof, shall be liable for any action taken or omitted to be taken in good faith by it or them under this Intercreditor Agreement or the Bank Documents, or in connection herewith or therewith, or be responsible for the consequences of any oversight or error of judgment whatsoever.

(b) Except as otherwise provided herein, the Bond Trustee shall retain all rights with respect to the enforcement and administration of the Bond Documents and collection of all amounts due thereunder. The Bond Trustee, in acting hereunder and under the Bond Documents, shall not be liable for any error of judgment or mistake of fact and shall not be liable for any acts of omission or commission, unless the same are caused by its own willful misconduct or negligence. The Bond Trustee may act in reliance on all instructions (written or telephonic), instruments, documents or signatures believed by it to be genuine and may assume that any person purporting to act or give notices, writings, advice or instructions is duly authorized by the appropriate party to do so. The Bond Trustee may rely upon the opinion of counsel and any action taken in reliance on such opinion shall be deemed to have been reasonable. None of the directors, officers or employees of the Bond Trustee, nor any other person assisting the Bond

Trustee or any of them in their duties, nor any agent or employee thereof, shall be liable for any action taken or omitted to be taken in good faith by it or them under this Intercreditor Agreement or the Bond Documents, or in connection herewith or therewith, or be responsible for the consequences of any oversight or error of judgment whatsoever.

(c) The Bank, in acting under this Intercreditor Agreement, will not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements of the Borrower under the Loan Documents or any other instrument at any time constituting or intended to constitute collateral security for the Obligations. The Bank shall not be bound to ascertain whether any notice, consent, waiver or request delivered to it by the Borrower or the Bond Trustee shall have been duly authorized or is true, accurate and complete. The Bank shall have no responsibility for performance of any obligations of the Borrower. The Bank has not made nor does it now make any representations or warranties, express or implied, nor does it assume any liability to the Bond Trustee or any holder of Bonds with respect to the creditworthiness or financial condition of the Borrower, the value of any collateral or the feasibility of the Project (as defined in Bank Loan Agreement), the New Facility or the Original Facility.

(d) The Bond Trustee, in acting under this Intercreditor Agreement, will not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements of the Borrower under the Loan Documents or any other instrument at any time constituting or intended to constitute collateral security for the Obligations. The Bond Trustee shall not be bound to ascertain whether any notice, consent, waiver or request delivered to it by the Borrower or the Bank shall have been duly authorized or is true, accurate and complete. The Bond Trustee shall have no responsibility for the performance of any obligations of the Borrower. The Bond Trustee has not made nor does it now make any representations or warranties, express or implied, nor does it assume any liability to the Bank with respect to the creditworthiness or financial condition of the Borrower, the value of any collateral or the feasibility of the Project, the New Facility or the Original Facility.

(e) The Bank and the Bond Trustee hereby acknowledge to one another that neither has made any representations or warranties to the other with respect to the Bank Obligations or the Bank Documents, or the Bond Obligations or the Bond Documents, respectively, and that neither the Bank nor the Bond Trustee shall have any liability or obligation regarding (i) the collectibility of any of the Obligations, (ii) the validity, enforceability or legal effect of any of the Loan Documents or the mortgagee title insurance policy or policies or any survey furnished or to be furnished to either party in connection with any Obligations, (iii) the validity, sufficiency or effectiveness of the lien created by the Bank Documents or the Bond Documents, or (iv) the financial condition of the Borrower or the accuracy of any information supplied by or to be supplied in connection with the Borrower except as otherwise herein specifically provided.

(f) The Bank and the Bond Trustee each represent and warrant to each other that this Intercreditor Agreement has been duly authorized by all necessary corporate action, has been duly executed by officers authorized to do so, and is a valid and binding agreement in accordance with its terms, except as limited by bankruptcy, insolvency, moratorium or other laws or equitable principles affecting creditors' rights generally.

Section 10. Waivers of Bank Documents and Bond Documents.

(a) The Bank may, without prior notice to or approval of the Bond Trustee: (i) extend the time for observance or performance by the Borrower of the terms and conditions of the Bank Documents, or (ii) consent to any changes in the Bank Documents.

(b) The Bond Trustee may, without prior notice to or approval of the Bank: (i) extend the time for observance or performance by the Borrower of the terms and conditions of the Bond Documents, or (ii) consent to any changes in the Bond Documents; provided that nothing contained herein will be deemed to affect any requirement in the Bank Loan Agreement that the Borrower obtain the consent of the Bank for certain amendments to the Bond Documents.

Section 11. Adjustment of Percentages to Effectuate Intent of Agreement. Each of the Bank and the Bond Trustee agrees with the other that if, after initiation of a Foreclosure, it shall ever receive and retain any proceeds of the Shared Collateral other than on a Pro Rata basis, it shall (except as otherwise provided herein) on each date when proceeds are to be divided pursuant to this Intercreditor Agreement make such arrangements with the other party as may be necessary so that after reflecting all applications previously made of the Shared Collateral pursuant to this Intercreditor Agreement, the Collateral Proceeds shall have been distributed Pro Rata.

Section 12. Excess Payments Held in Trust. Each of the Bank and the Bond Trustee agree that after the Bank Obligations or the Bond Obligations, as the case may be, have been satisfied in full, it will hold all Shared Collateral and proceeds thereof in trust for the benefit of the other party and deliver to the other party, on demand, all such Shared Collateral and proceeds thereof in its possession, and shall execute assignments or other instruments or documents as may be necessary to make such transfer.

Section 13. Concerning the Bond Trustee. The Bond Trustee is not required to fund out of pocket its pro rata share of any costs and expenses payable by the Bond Trustee hereunder or to repay or turnover to the Bank any amount that the Bond Trustee in good faith, and in the absence of gross negligence and willful misconduct, has paid to the Bondholders, except that, to the extent the Bond Trustee does not pay its pro rata share or make any such repayment or turnover required under this Agreement, such costs and expenses shall be repaid to the Bank if the Bank has paid them or such amount shall be repaid or turned over to the Bank, from the Collateral Proceeds prior to any pro rata distribution to either party from the proceeds of Shared Collateral in accordance with this Agreement.

Section 14. Notices. All notices, requests, demands, directions and other communications (collectively "notices") under the provisions of this Intercreditor Agreement shall be in writing (including facsimile communication) unless otherwise expressly permitted hereunder and shall be sent by first-class mail or overnight delivery, or by facsimile with confirmation in writing mailed first-class, in all cases with postage or charges prepaid, and any such properly given notice shall be effective as follows: (i) if by first class mail, five (5) days after mailing; (ii) if by overnight delivery, on the next Business Day; and (iii) if by facsimile, when confirmation of receipt is obtained. All notices shall be sent to the applicable party at the

following address or in accordance with the last unrevoked written direction from such party to the other parties hereto:

If to the Bank:

KeyBank National Association
KeyBank Real Estate Capital
Mail Code: OH-01-27-0839
127 Public Square, 8th Floor
Cleveland, OH 44114
Attention: Florentina Djulvezan, Vice President
Telephone: (216) 689-3621
Facsimile: (216) 689-3566

If to the Bond Trustee:

Manufacturers and Traders Trust Company
One M & T Plaza -7th Floor
Buffalo, New York 14203
Attention: Corporate Trust Department
Telephone: 716-842-5602
Facsimile: 716-842-4474

If to the Borrower:

Episcopal Church Home & Affiliates Life Care Community, Inc.
705 Renaissance Drive
Williamsville, NY 14221
Attention: Chief Executive Officer
Telephone: (716) 883-7917
Facsimile: (716) 884-6116

If to the Agency:

Erie County Industrial Development Agency
275 Oak Street
Buffalo, New York 14203
Attention: President/CEO/Executive Director
Telephone: 716-856-6525
Facsimile: 716-856-6754

Section 15. Amendments. No provision of this Intercreditor Agreement may be amended or modified except pursuant to an agreement or agreements in writing entered into by each of the Bank, the Bond Trustee, the Borrower and, if its interests are affected thereby, the Agency.

Section 16. No Implied Waiver; Cumulative Remedies. No course of dealing and no delay or failure of the Bank or the Bond Trustee in exercising any right, power or privilege under this Intercreditor Agreement or any Loan Document shall affect any other or future exercise

thereof or exercise of any other right, power or privilege; nor shall any single or partial exercise of any such right, power or privilege or any abandonment or discontinuance of steps to enforce such a right, power or privilege preclude any further exercise thereof or of any other right, power or privilege. The rights and remedies of the Bank and the Bond Trustee under this Intercreditor Agreement are cumulative and not exclusive of any rights or remedies which the Bank and/or the Bond Trustee would otherwise have under any Loan Document, at law or in equity; provided that the ability of the Bond Trustee and the Bank to exercise any such rights and remedies shall be subject (as between the Bond Trustee and the Bank) to the terms of this Intercreditor Agreement.

Section 17. Provisions Severable. In case any one or more of the provisions contained in this Intercreditor Agreement, or any application thereof, shall be held to be invalid, illegal or unenforceable, the remaining provisions contained herein, and any other application thereof, shall not in any way be affected or impaired thereby.

Section 18. No Partnership. Neither the execution of this Intercreditor Agreement nor the sharing of the Shared Collateral is intended to be, nor shall it be construed to be, the formation of a partnership or joint venture between the Bank and the Bond Trustee.

Section 19. Termination. This Intercreditor Agreement shall terminate upon the earlier to occur of (i) payment in full of all Bank Obligations and (ii) payment in full of all Bond Obligations; provided, however, that neither the Bank nor the Bond Trustee is due any sums under this Intercreditor Agreement or is then maintaining that the other party has not complied with the terms of this Intercreditor Agreement.

Section 20 Successors; No Third Party Beneficiaries. This Intercreditor Agreement will inure to the benefit of and be binding upon the Bond Trustee, and the Bank and their respective successors and assigns. The provisions of this Intercreditor Agreement are not intended nor shall they be construed to confer upon or give the Borrower or any Person other than the Bond Trustee and the Bank and their respective successors and assigns any rights, remedies or claims under or by reason hereof; however, the provisions of this Intercreditor Agreement are binding upon the Borrower, its successors and assigns in accordance with its terms.

Section 21 Counterparts. This Intercreditor Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 22 Governing Law; Waiver of Jury Trial.

(a) THIS INTERCREDITOR AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO CONFLICTS OF LAWS PROVISIONS.

(b) THE BOND TRUSTEE, THE BORROWER, THE AGENCY AND THE BANK EACH AGREE TO WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY AND ALL CLAIMS OR CAUSES OF ACTION BASED UPON OR ARISING OUT OF THIS INTERCREDITOR AGREEMENT AND THE OTHER LOAN DOCUMENTS. IT IS HEREBY ACKNOWLEDGED THAT THE WAIVER OF A JURY TRIAL IS A MATERIAL INDUCEMENT FOR BOND TRUSTEE AND THE BANK TO ENTER INTO THIS

INTERCREDITOR AGREEMENT AND THAT THE EXECUTION AND DELIVERY OF THIS INTERCREDITOR AGREEMENT BY THE BOND TRUSTEE AND THE BANK IS MADE IN RELIANCE UPON SUCH WAIVER. THE BORROWER, THE AGENCY, THE BOND TRUSTEE AND THE BANK EACH FURTHER WARRANT AND REPRESENT THAT SUCH WAIVER HAS BEEN KNOWINGLY AND VOLUNTARILY MADE BY EACH PARTY HERETO, FOLLOWING CONSULTATION WITH THEIR RESPECTIVE LEGAL COUNSEL.

The waivers made pursuant to this Section 22 shall be irrevocable and unmodifiable, whether in writing or orally, and shall be applicable to any subsequent amendments, renewals, supplements or modifications of this Intercreditor Agreement. In the event of litigation, this Intercreditor Agreement may be filed as a written consent to a trial by the court.

Section 23. No Recourse Against Agency.

(a) Notwithstanding any other term or condition contained in this Intercreditor Agreement, it is agreed that the Agency, its officers, members, employees, agents (other than the Borrower) and directors shall have no personal liability hereunder, nor in their capacity as officers, members, employees, agents and directors. No provision, covenant, representation, warranty or agreement contained in this Intercreditor Agreement or any obligations herein imposed upon the Agency or the breach thereof shall constitute or give rise to or impose upon the Agency a pecuniary liability or a charge upon its general credit. All covenants, stipulations, promises, agreements, representations, warranties and obligations of the Agency contained herein shall be deemed to be covenants, stipulations, promises, agreements, representations, warranties and obligations of the Agency and not of any member, director, officer, employee or agent (other than the Borrower) of the Agency in his or her individual capacity, and no recourse shall be had for the payment of the principal of any debt or interest thereon or for any claim based thereon or hereunder against any member, director, officer, employee or agent (other than the Borrower) of the Agency or any natural person executing this Intercreditor Agreement. No indebtedness or covenant herein contained shall be deemed to constitute a debt of the State of New York or of the County of Erie, New York, and neither the State of New York nor the County of Erie, New York, shall be liable on any covenant herein contained, nor shall the indebtedness secured by this Intercreditor Agreement be payable out of any funds of the Agency, except with respect to the Project and the revenues, income and property therefrom, as provided in the Bank Documents, Bond Documents and this Agreement.

(b) No order or decree of specific performance with respect to any of the obligations of the Agency hereunder shall be sought or enforced against the Agency unless the party seeking such order or decree shall first have requested the Agency in writing to take the action sought in such order or decree of specific performance, and ten (10) days shall have elapsed from the date of receipt of such request, and the Agency shall have refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten (10) days, shall have failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period. If the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it will incur fees and expenses (other than fees or expenses necessary to remediate any breach hereof occasioned by any affirmative act by the Agency), the party seeking such order or decree may, at its option,

place in an account with the Agency an amount or undertaking sufficient to cover such reasonable fees and expenses whereupon the Agency shall agree to comply with such request. If the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it or any of its members, officers, directors, servants, agents (other than the Borrower) or employees shall be subject to potential liability, the party seeking such order or decree may, at its option, (1) agree to protect, defend, indemnify and hold harmless the Agency and its members, officers, directors, servants, agents (other than the Borrower) and employees against any liability incurred as a result of its compliance with such request, and (2) if requested by the Agency, furnish to the Agency reasonably satisfactory security to protect the Agency and its members, officers, directors, servants, agents (other than the Borrower) and employees against all liability reasonably expected to be incurred as a result of compliance with such request, whereupon the Agency shall agree to comply with such request. Any amounts incurred or expended by the Bank or the Bond Trustee pursuant to this subsection (b) shall be added to, and constitute, Bank Obligations or Bond Obligations, as applicable, and shall be reimbursed on demand by the Borrower.

Section 24 Shared Collateral.

(a) The Bond Trustee shall act as agent for the Bank for the limited purpose of acting as the agent on behalf of the Bank with respect to the Shared Funds for purposes of perfecting the liens of the Bank in the Shared Funds, subject to the terms and conditions of this Section 24. The Bond Trustee and the Bank each hereby acknowledge that the Bond Trustee will obtain "control" under the UCC over the Shared Funds as contemplated by the Bond Documents for the benefit of both the Bond Trustee and the Bank.

(b) Except as set forth below, the Bond Trustee shall have no obligation whatsoever to the Bank including, without limitation, any obligation to assure that the Shared Funds are genuine or owned by either Mortgagor or to preserve rights or benefits of any Person except as expressly set forth in this Section 24. In acting on behalf of the Bank, the duties or responsibilities of the Control Agent under this Section 24 shall be limited solely (i) to physically holding the Shared Funds, that have been delivered to the Bond Trustee, as agent for the Bank for purposes of perfecting the Lien held by the Bank and (ii) delivering such collateral as set forth in subsection (d) below.

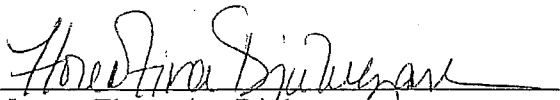
(c) The Bond Trustee shall not have by reason of this Agreement or any other document a fiduciary relationship in respect of the Bank.

(d) Upon the discharge of the Bond Obligations, the Bond Trustee shall, at the sole cost and expense of the Borrower, (i) deliver to the Bank the Shared Funds together with any necessary endorsements (or otherwise allow the Bank to obtain control of such Shared Funds) but without any representation or recourse) or as a court of competent jurisdiction may otherwise direct.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Intercreditor Agreement as of the date first above written.

KEYBANK NATIONAL ASSOCIATION

By: 
Name: Florentina Djulvezan
Title: Vice President

MANUFACTURERS AND TRADERS TRUST
COMPANY, as Bond Trustee

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Intercreditor Agreement as of the date first above written.

KEYBANK NATIONAL ASSOCIATION

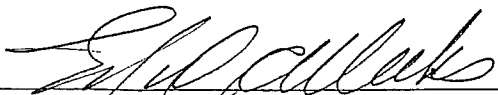
By: _____
Name: Florentina Djulvezan
Title: Vice President

MANUFACTURERS AND TRADERS TRUST
COMPANY, as Bond Trustee

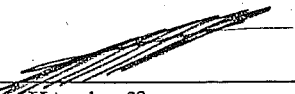
By: Steven J. Wattie
Name: Steven J. Wattie
Title: Vice President

By its execution hereof, each of EPISCOPAL CHURCH HOME
& AFFILIATES LIFE CARE COMMUNITY, INC. and
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
hereby acknowledges receipt of a copy of the
foregoing Intercreditor Agreement and agrees
to be bound by the terms thereof.

EPISCOPAL CHURCH HOME & AFFILIATES
LIFE CARE COMMUNITY, INC.

By: 
Name: Edward C. Weeks
Title: President

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By: 
Name: David W. Kerchoff
Title: Assistant Treasurer

State of Ohio)
County of Cuyahoga) ss.:

On the 17th day of June in the year 2005 before me, the undersigned, personally appeared Florentina Djulvezan, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, that by her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument, and that such individual made such appearance before the undersigned in the city of Cleveland and county of Cuyahoga.

Karen Simpson

(Signature and office of individual taking acknowledgement)



STATE OF NEW YORK)
) ss
COUNTY OF)

On June __, 2005, before me, the undersigned, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature(s) on the instrument the individual or the person upon behalf of which the person acted, executed the instrument.

STATE OF NEW YORK)
) ss
COUNTY OF)

On June __, 2005, before me, the undersigned, personally appeared Edward C. Weeks, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the individual or the person upon behalf of which the person acted, executed the instrument.

State of Ohio)
) ss.:

On the ___ day of June in the year 2005 before me, the undersigned, personally appeared Florentina Djulvezan, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, that by her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument, and that such individual made such appearance before the undersigned in the city of Cleveland and county of Cuyahoga.

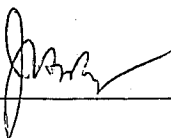
(Signature and office of individual taking acknowledgement)

STATE OF NEW YORK)
) ss
COUNTY OF)

On June __, 2005, before me, the undersigned, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature(s) on the instrument the individual or the person upon behalf of which the person acted, executed the instrument.

STATE OF NEW YORK)
) ss
COUNTY OF Erie)

On June 17, 2005, before me, the undersigned, personally appeared Edward C. Weeks, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the individual or the person upon behalf of which the person acted, executed the instrument.



Intercreditor Agreement

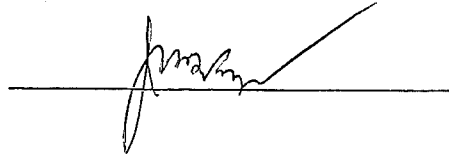
JOHNA. PAPPANO
Notary Public, State of New York
Qualified in Erie County
My Commission Expires 02/25/20 17

STATE OF NEW YORK)

COUNTY OF Erie)

ss.

On June 17, 2005, before me, the undersigned, personally appeared David W. Kerchoff, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the individual or the person upon behalf of which the person acted, executed the instrument.



JOHN A. PAPPANO
Notary Public, State of New York
Qualified in Erie County
My Commission Expires 02/25/20 07

Exhibit A

Legal Description

PARCEL I

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Amherst, County of Erie and State of New York, being part of Lot No. 92, Township 12, Range 7 of the Holland Land Company's Survey, and more particularly described as follows:

BEGINNING at an iron pipe found at the intersection of the east line of Youngs Road Extension said line also being the west line of said Lot No. 92, with the south line of lands conveyed to Episcopal Church Home & Affiliates Life Care Community, Inc. by deed recorded in the Erie County Clerk's Office in Liber 10921 of Deeds at page 1715, said south line also being described in boundary line agreement recorded in the Erie County Clerk's Office in Liber 642 of Deeds at page 606;

1. Thence N 00°46'36" E along said east line of Youngs Road Extension, a distance of 1,403.78 feet to a point in the south line of Klein Road as described in deed to the Town of Amherst recorded in the Erie County Clerk's Office in Liber 10926 of Deeds at page 9596;
2. Thence S 86°32'36" E along said south line of Klein Road a distance of 1,343.45 feet;
3. Thence S 03°27'24" W a distance of 575.10 feet;
4. Thence S 26°03'35" E a distance of 91.34 feet;
5. Thence S 26°19'40" W a distance of 106.62 feet;
6. Thence S 09°26'09" W a distance of 54.44 feet;
7. Thence S 25°09'10" W a distance of 63.32 feet;

8. Thence S 07°54'28" E a distance of 106.15 feet;
9. Thence S 32°42'46" W a distance of 40.63 feet to a point of curvature on a non-tangent curve deflecting to the right;
10. Thence southeasterly along the arc of said curve having a radius of 235.49 feet a chord bearing and distance of S 26°50'45" E, 237.64 feet, an arc distance of 249.09 feet;
11. Thence S 03°27'24" W a distance of 92.02 feet to a point of curvature on a non-tangent curve deflecting to the right;
12. Thence easterly along the arc of said curve having a radius of 635.0 feet a chord bearing and distance of S 80°21'19" E, 100.05 feet, an arc distance of 100.16 feet;
13. Thence S 75°50'12" E a distance of 102.86 feet to a point of curvature;
14. Thence easterly along the arc of a curve deflecting to the left having a radius of 565.0 feet, an arc distance of 105.58 feet;
15. Thence S 86°32'36" E a distance of 158.0 feet to a point in the west line of Ayer Road as described in said deed to the Town of Amherst recorded in Liber 10926 of Deeds at page 9596;
16. Thence S 17°51'02" W along said west line of Ayer Road a distance of 61.94 feet to a point in said south line of lands of Episcopal Church Home & Affiliates Life Care Community, Inc. as described in said deed recorded in Liber 10921 of Deeds at page 1715;
17. Thence N 86°32'36" W along said south line of Episcopal Church Home & Affiliates Life Care Community, Inc. a distance of 1821.36 feet to the **POINT OF BEGINNING.**

EXCEPTING therefrom that portion of Renaissance Drive, a public road, located within the above described lands as conveyed to the Town of Amherst by deed recorded in the Erie County Clerk's Office in Liber 10954 of Deeds at page 5277.

PARCEL II

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Amherst, County of Erie, State of New York, being part of Lot No. 92, Township 12, Range 7 of the Holland Land Company's Survey and more particularly described as follows:

BEGINNING at the intersection of the south line of Klein Road with the west line of Ayer Road, as said south and west lines are described in deed to the Town of Amherst recorded in the Erie County Clerk's Office in Liber 10926 of Deeds at page 9596;

1. Thence S 03°46'56" W along said west line of Ayer Road a distance of 1,204.41 feet to an angle point;
2. Thence S 17°51'02" W continuing along said west line of Ayer Road a distance of 142.32 feet;
3. Thence N 86°32'36" W a distance of 158.0 feet;
4. Thence westerly along the arc of a curve deflecting to the right having a radius of 565.0 feet, an arc distance of 105.58 feet;
5. Thence N 75°50'12" W a distance of 102.86 feet to a point of curvature;
6. Thence westerly along the arc of a curve deflecting to the left having a radius of 635.0 feet, a chord bearing and distance of N 80°21'19" W, 100.05 feet, an arc distance of 100.16 feet;
7. Thence N 03°27'24" E a distance of 92.02 feet to a point of curvature;

8. Thence northwesterly along the arc of a curve deflecting to the left, having a radius of 235.49 feet, a chord bearing and distance of N 26°50'45" W, 237.64 feet, an arc distance of 249.09 feet;
9. Thence N 32°42'46" E a distance of 40.63 feet;
10. Thence N 07°54'28" W a distance of 106.15 feet;
11. Thence N 25°09'10" E a distance of 63.32 feet;
12. Thence N 09°26'09" E a distance of 54.44 feet;
13. Thence N 26°19'40" E a distance of 106.62 feet;
14. Thence N 26°03'35" W a distance of 91.34 feet;
15. Thence N 03°27'24" E a distance of 575.10 feet to a point in said south line of Klein Road as described in said deed to the Town of Amherst recorded in Liber 10926 of Deeds at page 9596;
16. Thence S 86°32'36" E along said south line of Klein Road a distance of 601.17 feet to the **POINT OF BEGINNING**.

EXCEPTING therefrom that portion of Renaissance Drive, a public road, located within the above described lands as conveyed to the Town of Amherst by deed recorded in the Erie County Clerk's Office in Liber 10954 of Deeds at page 5277.

Parcel I and Parcel II above being a portion of the same premises granted and conveyed in fee by Episcopal Church Home & Affiliates Life Care Community, Inc. to Erie County Industrial Development Agency by deed dated February 11, 1998 and recorded in the Erie County Clerk's Office February 20, 1998 in Liber 10927 of Deeds at page 8372.

RELEASE OF MORTGAGEE'S INTEREST
(Acquisition Mortgage)

This RELEASE OF MORTGAGEE'S INTEREST, dated June 10, 2005, is made by BNP PARIBAS (formerly Banque Paribas), a banking corporation duly organized and validly existing under the laws of the Republic of France, having an office at 787 Seventh Avenue, 32nd Floor, New York, New York 10019 (the "Bank").

RECITALS

WHEREAS, the Erie County Industrial Development Agency (the "Agency") has issued its Life Care Community Revenue Bonds, Series 1998A (Episcopal Church Home & Affiliates Life Care Community, Inc. Project – Series 1998A) in the aggregate principal amount of \$42,090,000 (the "Series A Bonds"), and its Life Care Community Revenue Bonds (Episcopal Church Home & Affiliates Life Care Community, Inc. Project – Series 1998B) in the aggregate principal amount of \$16,650,000 (the "Series B Bonds" and, collectively with the Series A Bonds, the "Bonds") pursuant to an Indenture of Trust dated as of February 1, 1998 (the "Indenture") between the Agency and Manufacturers and Traders Trust Company, as Trustee (the "Trustee"); and

WHEREAS, the Series B Bonds were supported by an irrevocable letter of credit (the "Letter of Credit") issued by the Bank to the Trustee as beneficiary, and the Letter of Credit was issued pursuant to a Reimbursement and Credit Agreement dated as of February 1, 1998 (the "Reimbursement Agreement") between Episcopal Church Home & Affiliates Life Care Community, Inc. (the "Corporation") and the Bank; and

WHEREAS, the Agency, as security for the payment of the Bonds, and the Corporation, as security for its obligations under the Reimbursement Agreement, executed and delivered to the Trustee and the Bank, as mortgagees an Agency Mortgage Assignment of Rents and Security Agreement (Acquisition Loan) dated as of February 1, 1998, which was recorded in the Erie County Clerk's Office on February 20, 1998, in Liber 12774 of Mortgages, page 5817 (the "Acquisition Mortgage"); and

WHEREAS, the Series B Bonds have been paid in full, the Letter of Credit and the Reimbursement Agreement have been terminated, and the Bank desires to release and discharge its right, title and interest as mortgagee under the Acquisition Mortgage;

NOW THEREFORE, THE BANK HEREBY DECLARES:

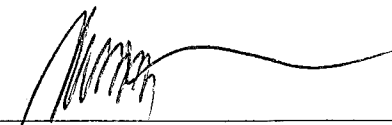
Section 1. Release of Mortgagee's Interest. The Bank hereby certifies that obligations secured by the Acquisition Mortgage have been paid and hereby consents that all right, title and interest of the Bank under the Acquisition Mortgage shall be satisfied and discharged of record, provided that nothing herein contained shall be construed as discharging the lien of the Acquisition Mortgage in favor of the Trustee, as mortgagee. The Acquisition Mortgage shall continue in full force and effect in favor of the Trustee, as sole mortgagee, as security for the Series A Bonds. The Bank further authorizes the termination of all UCC financing statements related to the Acquisition Mortgage. The Bank hereby certifies that it has not assigned any of its rights or interests in or under the Acquisition Mortgage.

Section 2. Applicable Law. This Release of Mortgagee's Interest shall be governed exclusively by the applicable laws of the State of New York.

Section 3. Binding Effect. This Release of Mortgagee's Interest shall inure to the benefit of and shall be binding upon the parties and their respective successors and assigns.

IN WITNESS WHEREOF, the Bank has executed this Release of Mortgagee's Interest as of the day and year first written above.

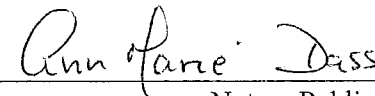
BNP PARIBAS

By: 
Brett I. Mehlman, Managing Director

By: 
Bruce J. Gold, Vice President

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

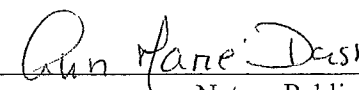
On the 10 day of June in the year 2005, before me, the undersigned, a Notary Public in and for said State, personally appeared Brett I. Mehlman, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his capacity, and that by his signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.


Notary Public

ANN MARIE DASS
Notary Public, State of New York
No. 01DA6098659
Qualified in Queens County
Commission Expires Sept. 15, 2007

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

On the 10 day of June in the year 2005, before me, the undersigned, a Notary Public in and for said State, personally appeared Bruce J. Gold, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his capacity, and that by his signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.


Notary Public

ANN MARIE DASS
Notary Public, State of New York
No. 01DA6098659
Qualified in Queens County
Commission Expires Sept. 15, 2007

RELEASE OF MORTGAGEE'S INTEREST
(Building Loan Mortgage)

This RELEASE OF MORTGAGEE'S INTEREST, dated June 10, 2005, is made by BNP PARIBAS (formerly Banque Paribas), a banking corporation duly organized and validly existing under the laws of the Republic of France, having an office at 787 Seventh Avenue, 32nd Floor, New York, New York 10019 (the "Bank").

RECITALS

WHEREAS, the Erie County Industrial Development Agency (the "Agency") has issued its Life Care Community Revenue Bonds, Series 1998A (Episcopal Church Home & Affiliates Life Care Community, Inc. Project - Series 1998A) in the aggregate principal amount of \$42,090,000 (the "Series A Bonds"), and its Life Care Community Revenue Bonds (Episcopal Church Home & Affiliates Life Care Community, Inc. Project - Series 1998B) in the aggregate principal amount of \$16,650,000 (the "Series B Bonds" and, collectively with the Series A Bonds, the "Bonds") pursuant to an Indenture of Trust dated as of February 1, 1998 (the "Indenture") between the Agency and Manufacturers and Traders Trust Company, as Trustee (the "Trustee"); and

WHEREAS, the Series B Bonds were supported by an irrevocable letter of credit (the "Letter of Credit") issued by the Bank to the Trustee as beneficiary, and the Letter of Credit was issued pursuant to a Reimbursement and Credit Agreement dated as of February 1, 1998 (the "Reimbursement Agreement") between Episcopal Church Home & Affiliates Life Care Community, Inc. (the "Corporation") and the Bank; and

WHEREAS, the Agency, as security for the payment of the Bonds, and the Corporation, as security for its obligations under the Reimbursement Agreement, executed and delivered to the Trustee and the Bank, as mortgagees an Agency Mortgage Assignment of Rents and Security Agreement (Building Loan) dated as of February 1, 1998, which was recorded in the Erie County Clerk's Office on February 20, 1998, in Liber 12774 of Mortgages, page 5868 (the "Building Loan Mortgage"); and

WHEREAS, the Series B Bonds have been paid in full, the Letter of Credit and the Reimbursement Agreement have been terminated, and the Bank desires to release and discharge its right, title and interest as mortgagee under the Building Loan Mortgage;

NOW THEREFORE, THE BANK HEREBY DECLARES:

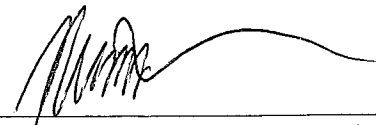
Section 1. Release of Mortgagee's Interest. The Bank hereby certifies that obligations secured by the Building Loan Mortgage have been paid and hereby consents that all right, title and interest of the Bank under the Building Loan Mortgage shall be satisfied and discharged of record, provided that nothing herein contained shall be construed as discharging the lien of the Building Loan Mortgage in favor of the Trustee, as mortgagee. The Building Loan Mortgage shall continue in full force and effect in favor of the Trustee, as sole mortgagee, as security for the Series A Bonds. The Bank further authorizes the termination of all UCC financing statements related to the Building Loan Mortgage. The Bank hereby certifies that it has not assigned any of its rights or interests in or under the Building Loan Mortgage.

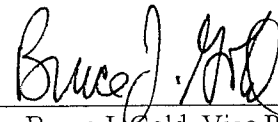
Section 2. Applicable Law. This Release of Mortgagee's Interest shall be governed exclusively by the applicable laws of the State of New York.

Section 3. Binding Effect. This Release of Mortgagee's Interest shall inure to the benefit of and shall be binding upon the parties and their respective successors and assigns.

IN WITNESS WHEREOF, the Bank has executed this Release of Mortgagee's Interest as of the day and year first written above.

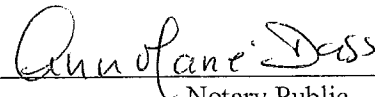
BNP PARIBAS

By: 
Brett I. Mehlman, Managing Director

By: 
Bruce J. Gold, Vice President

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

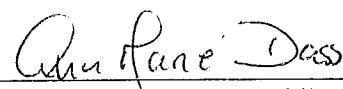
On the 10 day of June in the year 2005, before me, the undersigned, a Notary Public in and for said State, personally appeared Brett I. Mehlman, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his capacity, and that by his signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.


Notary Public

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

ANN MARIE DASS
Notary Public, State of New York
No. 01DA6098659
Qualified in Queens County
Commission Expires Sept. 15, 2007

On the 10 day of June in the year 2005, before me, the undersigned, a Notary Public in and for said State, personally appeared Bruce J. Gold, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his capacity, and that by his signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.


Notary Public

ANN MARIE DASS
Notary Public, State of New York
No. 01DA6098659
Qualified in Queens County
Commission Expires Sept. 15, 2007

RELEASE OF MORTGAGEE'S INTEREST
(Indirect Cost Mortgage)

This RELEASE OF MORTGAGEE'S INTEREST, dated June 10, 2005, is made by BNP PARIBAS (formerly Banque Paribas), a banking corporation duly organized and validly existing under the laws of the Republic of France, having an office at 787 Seventh Avenue, 32nd Floor, New York, New York 10019 (the "Bank").

RECITALS

WHEREAS, the Erie County Industrial Development Agency (the "Agency") has issued its Life Care Community Revenue Bonds, Series 1998A (Episcopal Church Home & Affiliates Life Care Community, Inc. Project - Series 1998A) in the aggregate principal amount of \$42,090,000 (the "Series A Bonds"), and its Life Care Community Revenue Bonds (Episcopal Church Home & Affiliates Life Care Community, Inc. Project - Series 1998B) in the aggregate principal amount of \$16,650,000 (the "Series B Bonds" and, collectively with the Series A Bonds, the "Bonds") pursuant to an Indenture of Trust dated as of February 1, 1998 (the "Indenture") between the Agency and Manufacturers and Traders Trust Company, as Trustee (the "Trustee"); and

WHEREAS, the Series B Bonds were supported by an irrevocable letter of credit (the "Letter of Credit") issued by the Bank to the Trustee as beneficiary, and the Letter of Credit was issued pursuant to a Reimbursement and Credit Agreement dated as of February 1, 1998 (the "Reimbursement Agreement") between Episcopal Church Home & Affiliates Life Care Community, Inc. (the "Corporation") and the Bank; and

WHEREAS, the Agency, as security for the payment of the Bonds, and the Corporation, as security for its obligations under the Reimbursement Agreement, executed and delivered to the Trustee and the Bank, as mortgagees an Agency Mortgage, Assignment of Rents and Security Agreement (Indirect Loan) dated as of February 1, 1998, which was recorded in the Erie County Clerk's Office on February 20, 1998, in Liber 12774 of Mortgages, page 5927 (the "Indirect Cost Mortgage"); and

WHEREAS, the Series B Bonds have been paid in full, the Letter of Credit and the Reimbursement Agreement have been terminated, and the Bank desires to release and discharge its right, title and interest as mortgagee under the Indirect Cost Mortgage;

NOW THEREFORE, THE BANK HEREBY DECLARES:

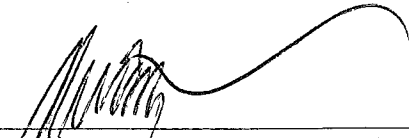
Section 1. Release of Mortgagee's Interests. The Bank hereby certifies that obligations secured by the Indirect Cost Mortgage have been paid and hereby consents that all right, title and interest of the Bank under the Indirect Cost Mortgage shall be satisfied and discharged of record, provided that nothing herein contained shall be construed as discharging the lien of the Indirect Cost Mortgage in favor of the Trustee, as mortgagee. The Indirect Cost Mortgage shall continue in full force and effect in favor of the Trustee, as sole mortgagee, as security for the Series A Bonds. The Bank further authorizes the termination of all UCC financing statements related to the Indirect Cost Mortgage. The Bank hereby certifies that it has not assigned any of its rights or interests in or under the Indirect Cost Mortgage.

Section 2. Applicable Law. This Release of Mortgagee's Interest shall be governed exclusively by the applicable laws of the State of New York.

Section 3. Binding Effect. This Release of Mortgagee's Interest shall inure to the benefit of and shall be binding upon the parties and their respective successors and assigns.

IN WITNESS WHEREOF, the Bank has executed this Release of Mortgagee's Interest as of the day and year first written above.

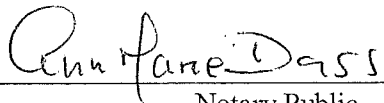
BNP PARIBAS

By: 
Brett I. Mehlman, Managing Director

By: 
Bruce J. Gold, Vice President

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

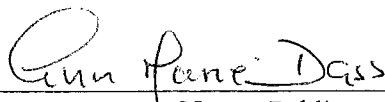
On the 10 day of June in the year 2005, before me, the undersigned, a Notary Public in and for said State, personally appeared Brett I. Mehlman, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his capacity, and that by his signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.


Notary Public

ANN MARIE DASS
Notary Public, State of New York
No. 01DA6098659
Qualified in Queens County
Commission Expires Sept. 15, 2007

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

On the 10 day of June in the year 2005, before me, the undersigned, a Notary Public in and for said State, personally appeared Bruce J. Gold, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his capacity, and that by his signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.


Notary Public

ANN MARIE DASS
Notary Public, State of New York
No. 01DA6098659
Qualified in Queens County
Commission Expires Sept. 15, 2007



Phillips Lytle LLP

June 17, 2005

Erie County Industrial Development
Agency
275 Oak Street
Buffalo, New York 14203

Manufacturers and Traders Trust
Company, as Trustee
One M&T Plaza
Buffalo, New York 14203

Re: Eric County Industrial Development Agency's ("Issuer") \$58,740,000 Life Care Community Revenue Bonds (Episcopal Church Homes & Affiliates Life Care Community, Inc. Series 1998A and Series 1998B Project) (the "Bonds") issued pursuant to an Indenture of Trust ("Indenture") dated as of February 1, 1998

Dear Sir/Madam:

We represent Episcopal Church Homes & Affiliates Life Care Community, Inc. ("Borrower") in connection with certain \$11,356,079 construction loan and \$2,173,921 project loan (collectively "Loan") from KeyBank National Association ("Lender"). Borrower seeks to enter into the Loan and secure same with a parity first lien with the Bonds pursuant to, and expressly contemplated by, Sections 6.26(c) and 6.27 of the Lease Agreement (such capitalized term and others used but not defined herein shall have the meanings ascribed thereto in the Indenture). In connection with such Loan, the Borrower has requested the Trustee to execute a certain Intercreditor Agreement among Borrower, Lender, Issuer and Trustee ("Intercreditor Agreement"), and a Consent ("Trustee Consent") to an Amendment to Lease Agreement between the Issuer and the Borrower ("Lease Amendment").

We have examined the Indenture, the Lease, the Intercreditor Agreement, the Lease Amendment and the Trustee Consent and certain certificates and other documents of the Borrower and others.

NYC Doc. # 295185.3

ATTORNEYS AT LAW



June 17, 2005

Page 2

Based solely on a Financial Covenant Certificate of the Borrower, the Loan constitutes permitted Long Term Indebtedness pursuant to Section 6.26(c) of the Lease, which, pursuant to Section 6.27 thereof may be secured as a parity first lien with the Outstanding Bonds (as defined in the Lease).

In our opinion it is reasonable for the Trustee to conclude that its execution and delivery of the Intercreditor Agreement is authorized pursuant to the terms of the Indenture. Further, we believe that Trustee's execution and delivery of the Lease Amendment is not materially prejudicial to the Trustee or the Holders of the Bonds.

We express no opinion with respect to the effect of any law other than the law of the State of New York and the Federal law of the United States.

Our opinion is rendered as of the date hereof, and we undertake no, and hereby disclaim any, obligation to advise you of any changes in or any new developments which might affect any matters or opinions set forth herein.

This opinion is for your benefit only and may not be relied upon by any other party or entity (other than your counsel).

Very truly yours,

Phillips Lytle LLP

FINANCIAL COVENANT CERTIFICATE

I, Edward C. Weeks, the President of Episcopal Church Home and Affiliates Life Care Community, Inc. ("Company") hereby certify to (i) Manufacturers and Traders Trust Company, as Trustee and Erie County Industrial Development Agency and (ii) KeyBank National Association ("Lender") as follows:

1. The Company is the lessee under a certain Lease Agreement dated as of February 1, 1998 from Erie County Industrial Development Agency, as amended by an Amendment to Lease Agreement, dated as of June 1, 2005 (collectively, the "Lease"). All capitalized terms not otherwise defined herein shall have the meanings attributed to them in the Lease.
2. The Company is entering into a loan facility of up to \$13,530,000 (the "Loan") with Lender. The Loan is additional Long Term Indebtedness (as defined in the Lease).
3. Attached hereto is a calculation of the Pro-Forma Debt Service Coverage Ratio, pursuant to Section 6.26(c) of the Lease (calculated pursuant to subsection 6.26(b), but based on the last Fiscal Year's revenues and expenses and assuming that the new debt had been incurred). The Pro-Forma Debt Service Coverage Ratio (calculated as set forth in the previous sentence) must be no less than 1.25:1.00 and is 1.83:1.00.
4. The Rate Covenant, while not defined in the Lease, is the Company's historical Debt Service Coverage Ratio as calculated pursuant to Section 6.22(b) of the Lease. The Rate Covenant is required to be 1.20:1.00, and for 2004 exceeds the pro forma Debt Service Coverage Ratio of 1.83:1.00 as set forth above.
5. Attached hereto is a calculation of the Operating Reserve Requirement as of the date hereof. The Operating Reserve Requirement is \$5,012,438 and the Company's Operating Reserve is \$5,344,678. The Company is current on the Operating Reserve Requirement.
6. Attached hereto is a calculation of the Company's Reserve Ratio as of the date hereof, after giving effect to the Loan. The Company's Reserve Ratio, after giving effect to the Loan, must be no less than 0.40:1.00 and will be .50:1.00.
7. As set forth above, pursuant to Section 6.26(c), (i) the Company's pro forma Debt Service Coverage Ratio is at least 1.25, (ii) the Company met the Rate Covenant for 2004, (iii) the Operating Reserve Requirement is current, and (iv) the Reserve Ratio of 0.40 has been met.
8. Therefore, the Loan is permissible under said Section 6.26(c).

9. Pursuant to Section 6.27 of the Lease, the Loan may be secured as a parity first lien with the Outstanding Bonds, as contemplated by the Intercreditor Agreement dated the date hereof between Lender and Trustee.

Dated: June 17, 2005

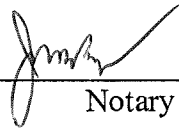
EPISCOPAL CHURCH HOME AND
AFFILIATES LIFE CARE COMMUNITY, INC.

By: 

Edward C. Weeks
President

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

On the 17th day of June, 2005 before me, the undersigned, personally appeared EDWARD C. WEEKS, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

JOHN A. PAPPANO
Notary Public, State of New York
Qualified in Erie County
My Commission Expires 02/25/20 07

Canterbury Woods
Operating Reserve Requirement:

6/1/2005

Taxes	12	621,687	Current bal in Operating reserve fund	5,344,678
Insurance	12	245,578		
Total estimated operating costs	6	4,315,971 *		
Repairs and replacements	12	160,000		
Principal & Interest Payments	12	3,343,055		
Less Debt Service Reserve Fund Balance		<u>(3,673,853)</u>		
		<u>5,012,438</u>		<u>5,344,678</u>

Operating costs were estimated as follows:

G&A	2,862,635.00	
Marketing	287,492.00	
Maint/Security	1,270,381.00	
Housekeeping	513,628.00	
Laundry	57,190.00	
Food Service	2,255,354.00	
Enriched	302,936.00	
Skilled	1,082,325.00	8,631,941.00

Sub-Total 8,631,941.00

0.50

Six Months 4,315,971 *

Note: Operating costs exclude Taxes, Interest, Insurance & Depreciation

pro-forma Debt Service Coverage Ratio (excluding balloon debt payments)

Funds Available for Debt Service during fiscal year ended December 31, 2004	
Net Income (as defined in the Lease Agreement)	(\$1,898,949.00)
add: All entrance received in cash	\$8,495,440.00
All interest expense	\$2,500,298.00
All depreciation expense, amortization of financing charges and other non-cash expenses	\$3,490,590.00
less: All Entrance Fees accrued as revenues	(\$1,227,412.00)
Any Refunds paid during such period	(\$3,651,312.00)
The excess of the amount of any gifts, grants, bequests, contributions & donations over the avg. amount of gifts received by the Lessee during each of the preceding three Fiscal Years ¹	(\$23,604.67)
Funds Available for Debt Service	\$7,685,050.33

Divided by:

Maximum Annual Debt Service of Series 1998A bonds and proposed debt, excluding balloon debt payments	
Maximum Annual Debt Service of Series 1998A bonds	\$3,345,000.00
Maximum Annual Debt Service of proposed debt, excluding balloon debt payments (6.30% rate assumption ²)	\$852,390.00
Total	\$4,197,390.00

pro-forma Debt Service Coverage Ratio (excluding balloon debt payments) 1.83

Reserve Ratio, after giving effect to proposed debt

Sum of cash and investments, trustees held funds, less Rebate and Earnings Fund, as of May 31, 2005 (3)	
Cash and cash equivalents	\$3,086,943
Investments	\$10,730,537
Other AWUIL (Funded Depreciation & Phase I Priority Deposits) ⁴	\$1,460,802
Operating Reserve Fund	\$5,344,678
Long-term Bond Account - Debt Service Reserve Fund	\$3,673,852
Lease Payment Fund - Long-term Bond Account	\$1,114,527
Construction Acct	\$91,574
Replacement Fund	\$1,062,909
Phase II Deposits	\$1,232,357
Total	\$27,798,179

Divided by:

Aggregate principal amount of Indebtedness (excluding sub debt), including proposed debt	
Series 1998 bonds outstanding as of June 17, 2005	\$42,090,000.00
Proposed debt	\$13,530,000.00
Total	\$55,620,000.00

Reserve Ratio, giving effect to the proposed debt

0.50

¹ This line item has been deducted, but it should be noted that it was not initially included in the calculation of Net Income, and therefore probably should NOT be deducted in this calculation. Either way, the test is satisfied.

² The current 6 month LIBOR yield is 3.64%, as reported by the Wall Street Journal on the morning of June 17, 2005. The 6.00% rate used in calculation of Maximum Annual Debt Service for the Parity Debt, excluding balloon debt payments = the Current LIBOR yield, approximated at 3.65% + Key Bank's LIBOR spread of 0.65% + 2.00% per annum, pursuant to the definition of Debt Service Requirement found in the bond documents.

³ There is no material difference in cash balances since May 31 since there have been no unusual cash transactions. nor any withdrawals from the Trustee held accounts subsequent to May 31.

⁴ AWUIL refers to Cash & Investments whose use is limited. This is a Balance sheet category which includes both Trustee held & Other limited use cash & investments.