

**RESOLUTION OF THE
BOARD OF DIRECTORS OF GLEN ARDEN, INC.**

WHEREAS, the Glen Arden, Inc. (the "Corporation") has submitted an application to the Orange County Industrial Development Agency (the "IDA") for the issuance of Orange County Industrial Development Agency Life Care Community Revenue Bonds (The Glen Arden, Inc. Project), Series - 1998 (the "1998 Bonds") for the purpose of the refinancing of the Orange County Industrial Development Agency Life Care Community Revenue Bonds (The Glen Arden, Inc. Project), Series 1994 (the "1994 Bonds") and the financing of a project consisting of the conversion of three existing two-bedroom independent living units into six one-bedroom independent living units (the "Improvements"), acquisition of nursing home medical equipment and the replacement of minor equipment and furniture (the "Equipment" and together with the Improvements and the refinancing of the 1994 Bonds, the "Project").

WHEREAS, Salomon Smith Barney Inc. and Herbert J. Sims & Co., Inc., and/or such other firms as may be approved by the Corporation (the "Underwriters"), have expressed an interest in purchasing the 1998 Bonds in accordance with such terms and conditions as are mutually acceptable to the Corporation, the IDA and the Underwriters;

WHEREAS, the 1994 Bonds were issued for the purpose of financing a project which included, without limitation, the construction and acquisition of facilities constituting a life care community pursuant to Article 46 of the Public Health Law of the State of New York (such project referred to herein as the "Facility").

NOW, THEREFORE, IT IS RESOLVED, by the Board of Directors of the Corporation (the "Board"), as follows:

1. The Corporation is hereby authorized to finance the Project through the issuance by the IDA of the 1998 Bonds in an aggregate principal amount not to exceed \$35,000,000, the actual principal amount of which is to be approved by the Chairman of the Board or the President or the Executive Vice President, Post-Acute Services of the Corporation.

2. In connection with the issuance of the 1998 Bonds, the Corporation ratifies, approves and authorizes delivery and distribution of the Preliminary Official Statement of the IDA (the "Preliminary Official Statement") and the Official Statement of the IDA, in substantially the form of the Preliminary Official Statement (the "Official Statement").

3. The Corporation is authorized to execute and deliver such other and further documents and undertakings required to complete the financing including without limitation, certifications pursuant to SEC rule 15c2-12 and the documents identified in Section 4 below.

4. In connection with the issuance of the 1998 Bonds and the refinancing of the Project, the Corporation is hereby authorized to:

(i) convey to the IDA all of the right, title and interest of the Corporation in and to the Equipment, pursuant to a Bill of Sale from the Corporation to the IDA (the "Bill of Sale");

(ii) consent to the issuance of the 1998 Bonds pursuant to a certain Indenture of Trust (the "Indenture"), by and between the IDA and The Bank of New York (or such other entity as may be approved by the Corporation), as trustee for the benefit of the holders of the 1998 Bonds (the "1998 Trustee");

(iii) consent to the assignment by the IDA to the 1998 Trustee of certain of the IDA's rights and remedies under the Amended and Restated Sale Agreement and to grant to the 1998 Trustee, and to consent to the grant by the IDA to the 1998 Trustee of, a first mortgage lien on and first priority security interest in the Facility, all pursuant to the terms of a certain Mortgage and Security Agreement, from the IDA and the Corporation to the 1998 Trustee (the "Mortgage and Security Agreement");

(iv) assign to the 1998 Trustee all the Corporation's rights to and under all residency agreements now or hereafter entered into by and between the Corporation and residents or prospective residents of the Facility, pursuant to an Assignment of Residency Agreements (the "Assignment of Residency Agreements");

(v) grant to the 1998 Trustee a security interest in all receipts, revenues, rentals, income and other monies received by or on behalf of the Corporation from any source, pursuant to a Security Agreement from the Corporation to the 1998 Trustee (the "Security Agreement");

(vi) guarantee to the 1998 Trustee (1) the payment in full of the principal amount of, premium, if any, and interest on, the 1998 Bonds, and all other sums payable to the 1998 Trustee under any of the financing documents executed in connection therewith, and (2) the completion of the construction and equipping of the Facility, all pursuant to a certain Guaranty from the Corporation to the 1998 Trustee (the "Guaranty");

(vii) make certain representations, covenants and certifications necessary to ensure the continued tax-exempt status of the 1998 Bonds, by executing and delivering a Tax Compliance Agreement, by and between the IDA and the Corporation (the "Tax Compliance Agreement");

(viii) consent to the purchase by the Underwriters of the 1998 Bonds in accordance with the terms and conditions of a certain Purchase Contract, by and among the Underwriters, the IDA and the Corporation (the "Bond Purchase Agreement"); and

(ix) consent to the assignment of the Assignment of Plans, Architect's Contract and Construction Contracts from the Trustee for the 1994 Bonds to the 1998 Trustee.

5. That each corporate officer of the Corporation and each of the following individuals (each an "Authorized Representative") are hereby authorized to execute any and all documents necessary and proper to carry out the purposes and intent of this Resolution including without limitation the execution of all documents referred to herein and said individuals are also authorized to execute such other and further documents, applications and forms as shall be necessary and appropriate in connection with the offering and sale of the 1998 Bonds and obtaining financing of the Project and for the construction and equipping of the Project:

Name

Title

George W. Kohl

Chairman of the Board

Donna G. Case

President

Todd A. Whitney

Executive Vice President, Post-Acute
Services

6. The Corporation and each Authorized Representative is authorized, without any further action of this Board, to approve the exact principal amount of the 1998 Bonds to be issued, the interest rate or rates to be paid on the 1998 Bonds, the amortization schedule pursuant to which the principal amount of the 1998 Bonds shall be repaid and all other terms and provisions regarding the 1998 Bonds.

7. That all of the documents, agreements, obligations and other undertakings entered into and executed by the Corporation and each Authorized Representative shall be and are valid and binding and enforceable in accordance with their terms.

8. Notwithstanding any other provisions of this Resolution, each person executing any documents referred to herein, is authorized to do such further acts as they may deem reasonable and necessary to effectuate the transaction and is authorized to assent to changes, insertions, deletions and modifications of such documents, in the event that same shall be necessary and the execution of such documents by such person shall be deemed to be complete and full approval of any such changes, insertions, deletions and modifications.

9. That any all prior actions of any officer of the Corporation and each Authorized Representative, in connection with the matters contemplated by these resolutions be, and they hereby are, approved, ratified and adopted in all respects as fully as if such actions had been approved by the Corporation prior to such action being taken.