
CLOSING MEMORANDUM

CITY OF COHOES
INDUSTRIAL DEVELOPMENT AGENCY

VARIABLE RATE CIVIC FACILITY REVENUE BONDS
(COLUMBIA CREST SENIOR HOUSING PROJECT - LETTER OF CREDIT SECURED),
SERIES 2003

LETTER OF CREDIT SUBSTITUTION

APRIL 18, 2007

Date and Time of Pre-Closing:	April 13, 2007 1:00 o'clock p.m., prevailing time
Place of Closing:	Hiscock & Barclay, LLP 50 Beaver Street Albany, New York 12207
Date of Closing:	April 18, 2007

I. BACKGROUND

The City of Cohoes Industrial Development Agency (the "Issuer") has undertaken a project (the "Project") on behalf of American Housing Foundation and AHF - Columbia Crest, LLC (the "Company") consisting of the following: (A) (1) the acquisition of an interest in an approximately six and one-half acre parcel of land (the "Land") located at 427 Columbia Street, in the City of Cohoes in Albany County, New York (the "Land"), (2) the construction on the Land of an approximately 100,000 square foot building containing approximately ninety units of housing for elderly residents (the "Facility") and (3) the acquisition and installation therein and thereon of certain machinery and equipment related thereto (the "Equipment") (the Land, the Facility and the Equipment being collectively referred to as the "Project Facility"; (B) the financing of all or a portion of the costs of the foregoing by the issuance of exempt revenue bonds of the Issuer in one or more issues or series; (C) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from sales taxes, real property transfer taxes and mortgage recording taxes (collectively with the Obligations,

the "Financial Assistance"); and (D) the lease (with an obligation to purchase) or sale of the Project Facility to the Company.

In order to finance the Project, the Issuer issued its \$5,560,000 Variable Rate Civic Facility Revenue Bonds (Columbia Crest Senior Housing Project – Letter of Credit Secured), Series 2003 (the "Bonds") pursuant to a trust indenture dated as of September 1, 2003 (the "Indenture") by and between the Issuer and The Bank of New York, as trustee (the "Trustee").

The interest rate on the Bonds is determined at various intervals by First Albany Corporation, acting as remarketing agent for the Bonds (the "Original Remarketing Agent") pursuant to the provisions of a remarketing agreement dated as of September 1, 2003 (the "Remarketing Agreement") by and among the Original Remarketing Agent, the Issuer and the Company.

The Company, pursuant to the terms of the indenture and the Remarketing Agreement, desires to appoint RBC Dain Rauscher Inc., doing business under the name RBC Capital Markets ("RBC"), as the Remarketing Agent for the Bonds. The Indenture requires that the Company obtain the consent of the Issuer for any change in the Remarketing Agent. Pursuant to a resolution duly adopted by the members of the Issuer on March 6, 2007 (the "Approving Resolution"), the Issuer granted its consent to the RBC being appointed as Remarketing Agent.

Pursuant to the terms of the Indenture and the Sublease Agreement, the Company has determined to cause to be delivered to the Trustee a Substitute Letter of Credit issued by Citizens Bank, N.A. (the "Substitute LOC Bank"). In connection with the issuance of the Substitute Letter of Credit, the Company has requested and the Issuer has agreed to join in the execution of the following documents: (A) Mortgage, Security Agreement and Financing Statement from the Company, the Foundation and the Issuer to the Bank; (B) Assignment of Leases and Rents from the Company, the Foundation and the Issuer to the Bank; (C) Environmental Compliance Agreement from the Company and the Foundation to the Bank, the Issuer and the Trustee, and (D) Subordination and First Mortgage Waiver Agreement by and among the Housing Trust Fund, the Issuer, the Bank, the Company and the Foundation.

II. PARTIES REPRESENTED AT CLOSING

ISSUER:

(I)

John McDonald, Jr. Chairman
City of Cohoes Industrial Development Agency

ISSUER'S COUNSEL:

(IC)

Darrin B. Derosia, Esq.
City of Cohoes Counsel

BOND COUNSEL:

(H&B)

Connie Cahill, Esq.
Jo-Ann Kilmer, Municipal Finance Administrator
Hiscock & Barclay, LLP

COMPANY:

(C)

Garry J. Kearns, Executive Director
AHF - Columbia Crest, LLC

FOUNDATION:

(F)

Garry J. Kearns, Executive Director
American Housing Foundation, Inc.

COMPANY'S & FOUNDATION'S COUNSEL:

(CC)

Steven S. Heyman, Esq.
Cannon Heyman & Weiss, LLP

BANK:

(B)

Citizens Bank, N.A.

BANK'S COUNSEL:

(BC)

Robert Wakeman, Esq.
Lombardi, Walsh, Wakeman, Harrison,
Amodeo & Davenport, P.C.

TRUSTEE:

(T)

Eric Halperin
The Bank of New York

RAMARKETING AGENT:

(RA)

John J. Puig
Brad Hopper
RBC Capital Markets

III. ACTION TO BE TAKEN AT CLOSING

The following documents, or copies thereof, are to be delivered (except as indicated) to the Issuer, Issuer's Counsel, the Company, Company's Counsel, the Foundation, the Trustee, the Bank, Bank's Counsel, the Remarketing Agent and Bond Counsel as follows:

	<u>Production Respons.</u>	<u>Execution Respons.</u>
<u>A. Items relating to the Substitute Letter of Credit</u>		
1. Letter of Credit.	BC	B
2. Reimbursement Agreement.	BC	C,B
3. Mortgage, Security Agreement and Financing Statement.	BC	I,C,F
4. Subordination and First Mortgage Waiver Agreement.	BC	HTFC,B, FIC
5. Assignment of Leases and Rents.	BC	C,I
6. Bond Pledge Agreement.	BC	C,T,B
7. Conditional Assignment of Management Agreement.	BC	C,Agent
8. Deposit Account Pledge Agreement.	BC	C,B
9. Environmental Compliance and Indemnification Agreement.	BC	C,F,I,B,T
10. Limited Guaranty Agreement.	BC	F
11. Continuing General Security Agreement.		
<u>B. Items to be delivered by the Issuer</u>		
1. General Certificate of the Issuer regarding incumbency and signatures of officers, execution of the Issuer Documents, no litigation and continued existence, with the following items included as exhibits:	H&B	I
Exhibit A - Chapter 582 of the Laws of 1973, as amended by Chapter 313 of the Laws of 1972;	H&B	--
Exhibit B - Certificate of Establishment and Certificates of Appointment of current members, certified by the New York State Department of State, Miscellaneous Records Unit;	H&B	--
Exhibit C - By-Laws of the Issuer;	IC	--
Exhibit D - Approving Resolution;	H&B	I

	<u>Production Respons.</u>	<u>Execution Respons.</u>
2. Certificate Regarding No Conflicts of Interest.	H&B	I
3. Affidavit Regarding Mortgage Recording Tax.	H&B	I
C. <u>Items to be delivered by the Company</u>		
1. General Certificate of the Company regarding incumbency and signatures of officers, execution of the Company Documents, no litigation and continued existence, with the following items included as exhibits:	H&B	C,CC
Exhibit A - Articles of Organization of the Company, certified by the New York State Department of State;	CC	--
Exhibit B - Operating Agreement of the Company;	CC	C
Exhibit C - Certificate of Good Standing from the New York State Department of State;	CC	--
Exhibit D - Consent and Resolutions of the Sole Member and Manager;	CC	C
Exhibit E - Pending Litigation.	CC	C
2. Letter from the Company regarding compliance with the insurance provisions of the Sublease Agreement, with certificates (and policies, if available) of casualty, liability, workers' compensation and other required insurance attached.	CC	C
D. <u>Items to be delivered by the Foundation</u>		
1. General Certificate of the Foundation regarding incumbency and signatures of officers and execution of documents executed by the Foundation (the "Foundation Documents"), no litigation and continued existence, with the following items included as exhibits:	H&B	F,CC
Exhibit A - Certificate of Incorporation, certified by the New York State Department of State;	CC	--
Exhibit B - IRS Determination Letter;	CC	--
Exhibit C - Certificate of Good Standing from the New York State Department of State;	CC	--
Exhibit D - Resolution of the sole Member of the Foundation approving and authorizing the execution and delivery of the Foundation	CC	F

	<u>Production Respons.</u>	<u>Execution Respons.</u>
Documents; and Exhibit E - Pending Litigation.	CC	C
E. <u>Items to be delivered by the Bank.</u>		
1. General Certificate of the Bank regarding incumbency an signatures of officers, execution of Letter of Credit, the Reimbursement Agreement and the other Financing Documents to be executed by the Bank (the "Bank Documents").	H&B	B,BC
F. <u>Items to be delivered by the Remarketing Agent</u>		
1. General Certificate of the Remarketing Agent.	H&B	RA
2. Assumption of Remarketing Agreement.	RA	C,RA
3. Remarketing Supplement	H&B	
G. <u>Opinions of Counsel</u>		
1. Opinion of Darrin B. Derosia, Esq., counsel to the Issuer, addressed to the Trustee, the Bank, the Underwriter and the Issuer.	H&B	IC
2. Opinions of Cannon, Heyman & Weiss, LLP, counsel to the Company, addressed to the Remarketing Agent, the Trustee, the Issuer, the Bank and the Company.	H&B	CC
3. Opinion of Lombardi, Walsh, Wakeman, Harrison, Amodeo & Davenport, P.C., counsel to the Bank, addressed to the Trustee, the Issuer, the Bank, the Foundation and the Company.	BC	BC
4. Opinion of Hiscock & Barclay, LLP, transaction counsel to the Agency, addressed to the Issuer, the Bank and the Trustee.	H&B	H&B

IV. ACTION TO BE REQUIRED CONCURRENTLY WITH OR AFTER CLOSING

1. The Mortgage, the Subordination of First Mortgage and Waiver Agreement, the Assignment of Rents and the Bond Pledge Agreement are to be recorded in the office of the County Clerk of Albany County, New York.

2. The financing statements are to be filed in the office of the County Clerk of Albany County, New York and the New York State Department of State, Uniform Commercial Code Unit, and any other appropriate offices under the Uniform Commercial Code, with instructions directing that filing receipts relating thereto be returned to the Title Insurer (the "UCC Filer").