NEW ISSUES
BOOK ENTRY ONLY

NOT RATED
SEE "NOT RATED"

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by the Issuer, the Institution, the Manager and the School described herein, interest on the Series 2018A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Bond Counsel is further of the opinion that interest on the Series 2018A Bonds is exempt from personal income taxation imposed by the State of New York or any political subdivision thereof including The City of New York Interest on the Series 2018B Bonds is not excluded from gross income for federal income tax purposes under the Code and is not exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including The City of New York. See "TAX MATTERS" herein.

Build NYC Resource Corporation
$34,030,000 Revenue Bonds, Series 2018A
(Friends of Hebrew Public Borrower, LLC Project)

Build NYC Resource Corporation
$1,980,000 Taxable Revenue Bonds, Series 2018B
(Friends of Hebrew Public Borrower, LLC Project)

Dated: Date of Issuance

Due: June 15, as shown on the inside front cover

The above-referenced Build NYC Resource Corporation Revenue Bonds, Series 2018A (Friends of Hebrew Public Borrower, LLC Project), (the "Series 2018A Bonds") and Taxable Revenue Bonds, Series 2018B (Friends of Hebrew Public Borrower, LLC Project) (the "Series 2018B Bonds") are special limited revenue obligations of Build NYC Resource Corporation (the "Issuer") payable exclusively from the trust estate as described in this Limited Offering Memorandum The Series 2018A Bonds and the Series 2018B Bonds are referred to herein collectively as the "Series 2018 Bonds."

The Series 2018 Bonds are special limited revenue obligations of the Issuer, payable as to principal, redemption price and interest, from and secured by (i) certain unconditional payments to be made pursuant to the Loan Agreement, dated as of September 1, 2018 (the "Loan Agreement"), between Friends of Hebrew Public Borrower, LLC, a Delaware limited liability company (the "Institution"), whose initial sole member is National Center for Hebrew Language Charter School Excellence and Development, Inc. d/b/a Hebrew Public, a Delaware nonstock corporation (the "Manager"), and the Issuer, (ii) a pledge of certain funds and accounts established under the Indenture of Trust, dated as of September 1, 2018 (the "Indenture"), between the Issuer and The Bank of New York Mellon, New York, New York, as trustee (the "Trustee"), (iii) a mortgage and security agreement (acquisition loan), a mortgage and security agreement (building loan) and a mortgage and security agreement (indirect loan), on the Facility, and (iv) a pledge by the Institution to the Trustee of the Pledged Collateral (as defined herein). Neither the State of New York (the "State") nor any political subdivision thereof, including The City of New York, New York (the "City"), shall be obligated to pay the principal or redemption price of, or the interest on, the Series 2018 Bonds. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof, including the City, is pledged to the payment of the Series 2018 Bonds. The Series 2018 Bonds will not be payable out of any funds of the Issuer other than those pledged therefor pursuant to the Indenture. The Series 2018 Bonds will not give rise to a pecuniary liability or charge against the credit or taxing powers of the State or any political subdivision thereof, including the City. No recourse will be had for the payment of the principal of, or the interest on, the Series 2018 Bonds against any member, officer, director, employee or agent of the Issuer. The Issuer has no taxing power.

The Series 2018 Bonds will be issued by the Issuer pursuant to the Indenture. The Series 2018 Bonds will be payable from (i) amounts held by the Trustee under the Indenture, including amounts held in the Debt Service Reserve Fund, and (ii) Loan Payments to be made by the Institution under the Loan Agreement The Series 2018 Bonds will be additionally secured by the Mortgage, the Assignment of Lease, and the Pledge and Security Agreement, each as defined in and as more fully described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS" in this Limited Offering Memorandum. The Institution will enter into a Lease, dated as of August 29, 2018 (the "Lease"), with the School whereby the School will lease the Facility from the Institution Rent payable to the Institution under the Lease will be in amounts sufficient to pay Loan Payments under the Loan Agreement See "THE PROJECT AND PLAN OF FINANCE" in this Limited Offering Memorandum

Proceeds derived from the sale of the Series 2018 Bonds will be used by the Institution for the purpose of financing (i) (a) the acquisition of an existing building on an approximately 17,425 square foot parcel of land located at 166 Kings Highway, Brooklyn, New York (the "Land"), (b) the demolition of the existing improvements on the Land, and (c) the construction of and furnishing and equipping of an approximately 34,570 square foot building to be comprised of three above-ground stories for general classroom and administrative use and a cellar with mechanical equipment, together with related site improvements (the "Facility"); (ii) the payment of capitalized interest; (iii) the funding of a portion of the Debt Service Reserve Fund Requirement; and (iv) the payment of certain costs of issuing the Series 2018 Bonds (collectively, the "Project") Interest on the Series 2018 Bonds will be payable on June 15 and December 15 of each year, commencing December 15, 2018. See "THE PROJECT AND PLAN OF FINANCE" and "THE SERIES 2018 BONDS" in this Limited Offering Memorandum

The Series 2018 Bonds will be issued as fully registered bonds in the minimum authorized denomination of $100,000 or any integral multiple of $5,000 in excess thereof, in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"), *provided, however*, that if the Series 2018 Bonds are rated investment grade by a Rating Agency, then, upon the Trustee receiving written notice of the occurrence of such event, the minimum authorized denominations shall be $5,000 or any integral multiple thereof. Purchases of the Series 2018 Bonds will be made in book-entry form only Purchasers of beneficial interests will not receive physical certificates. The Series 2018 Bonds are subject to optional and mandatory redemption as described in this Limited Offering Memorandum. See "THE SERIES 2018 BONDS" in this Limited Offering Memorandum. An investment in the Series 2018 Bonds is subject to certain risks. See "RISK FACTORS" in this Limited Offering Memorandum Investors must read the entire Limited Offering Memorandum, including the Appendices hereto.

The Series 2018 Bonds are to be offered and sold (including in secondary market transactions) only to "Qualified Institutional Buyers" (as defined in Rule 144A of the Securities Act of 1933, as amended (the "Securities Act")) or "Accredited Investors" (as defined in Regulation D of the Securities Act) The Indenture contains provisions limiting transfers of the Series 2018 Bonds and beneficial ownership interests in the Series 2018 Bonds only to Qualified Institutional Buyers and Accredited Investors.

THE SERIES 2018 BONDS ARE NOT RATED The purchase of the Series 2018 Bonds involves a high degree of risk and the Series 2018 Bonds are a speculative investment. See "NOT RATED "

SEE THE INSIDE FRONT COVER FOR THE MATURITY SCHEDULES FOR THE SERIES 2018 BONDS

The Series 2018 Bonds are offered, subject to prior sale, when, as and if accepted by D A Davidson & Co (the "Underwriter") and subject to an opinion as to the validity of the Series 2018 Bonds and the tax-exempt status of the Series 2018A Bonds by Nixon Peabody LLP, New York, New York, Bond Counsel, the approval of certain legal matters for the Issuer by its General Counsel, for the Institution by its special counsel, Perlman & Perlman LLP, New York, New York and Arent Fox LLP, New York, New York, and the School by its special counsel, Cohen Schneider Law, P C , New York, New York, for the Trustee by its special counsel, Paparone Law, PLLC, New York, New York, and for the Underwriter by its counsel, Quarles & Brady LLP, Milwaukee, Wisconsin, and certain other conditions It is expected that delivery of the Series 2018 Bonds will be made on or about September 6, 2018 through the facilities of DTC.

D.A. Davidson

This Limited Offering Memorandum is dated August 30, 2018

MATURITY SCHEDULE

$34,030,000
Build NYC Resource Corporation
Revenue Bonds, Series 2018A
(Friends of Hebrew Public Borrower, LLC Project)

Principal Amount	Maturity Date	Interest Rate	Price	CUSIP*
$34,030,000	Term Bond due June 15, 2052	5.875%	95.000[c]	12008E NS1

$1,980,000
Build NYC Resource Corporation
Taxable Revenue Bonds, Series 2018B
(Friends of Hebrew Public Borrower, LLC Project)

Principal Amount	Maturity Date	Interest Rate	Price	CUSIP*
$1,980,000	Term Bond due June 15, 2027	7.750%	95.000	12008E NT9

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[c] *Priced to call on the optional redemption date of August 15, 2028*

** CUSIP® is a registered trademark of the American Bankers Association CUSIP data herein is provided by CUSIP Global Services managed by S&P Global Market Intelligence on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Global Services CUSIP numbers have been assigned by an independent company not affiliated with the Issuer, the Institution, the Manager, the School or the Underwriter and are included solely for the convenience of the holders of the Series 2018 Bonds. None of the Issuer, the Institution, the Manager, the School or the Underwriter is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2018 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Series 2018 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Series 2018 Bonds*

For a schedule of the mandatory sinking fund payments with respect to each maturity of the Series 2018 Bonds that are term bonds, see "THE SERIES 2018 BONDS — Redemption of Series 2018 Bonds — Mandatory Sinking Fund Installment Redemption" in this Limited Offering Memorandum

Issuer
Build NYC Resource Corporation

Bond Counsel to the Issuer
Nixon Peabody LLP
New York, New York

School Trustees
Adam Miller, Esq., Chair
Susan Fox, Vice Chair
Stella Binkevich, Treasurer
Aaron Listuaus, Secretary
Mike Tobman, Trustee
Ella Zalkind, Trustee
William Mack, Trustee
Alice Li, Trustee

School Officials
Ashley Furan, Head of School
Lena Shuster, Director of Operations

Manager
National Center for Hebrew Language Charter School Excellence and Development, Inc.
d/b/a Hebrew Public

Institution's Special Counsel
Perlman & Perlman LLP
New York, New York

Arent Fox LLP
New York, New York

School's Special Counsel
Cohen Schneider Law, P.C.
New York, New York,

Underwriter
D.A. Davidson & Co.
Denver, Colorado

Underwriter's Counsel
Quarles & Brady LLP
Milwaukee, Wisconsin

Trustee and Paying Agent
The Bank of New York Mellon
New York, New York

Trustee's Counsel
Paparone Law PLLC
New York New York

Dissemination Agent
School Improvement Partnership

No person has been authorized by the Issuer, the Underwriter, the Institution, the Manager or the School to give any information regarding the Series 2018 Bonds, the Institution, the Manager, the School, the Project, the offering contained herein and related matters or to make any representations other than those contained in this Limited Offering Memorandum and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Limited Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy in any state in which it is unlawful for any person to make such offer or solicitation. The information contained in this Limited Offering Memorandum has been furnished by or on behalf of the Issuer, the Institution, the Manager and the School and other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof.

The Underwriter has provided the following sentence for inclusion in this Limited Offering Memorandum. The Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as a part of, the Underwriter's responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Neither the Issuer nor any of its members, agents, employees or representatives has reviewed this Limited Offering Memorandum or investigated the statements or representations contained herein, except for those statements relating to the Issuer set forth under the captions "THE ISSUER" and "ABSENCE OF MATERIAL LITIGATION — The Issuer." Except with respect to the information contained under such captions, neither the Issuer nor any of its members, agents, employees or representatives makes any representation as to the completeness, sufficiency and truthfulness of the statements set forth in this Limited Offering Memorandum. Members of the governing body of the Issuer and any other person executing the Series 2018 Bonds are not subject to personal liability by reason of the issuance of the Series 2018 Bonds. Other than the information under the caption "THE ISSUER" and "ABSENCE OF MATERIAL LITIGATION — The Issuer," the Issuer assumes no responsibility for this Limited Offering Memorandum and has not reviewed or undertaken to verify any information contained herein.

The Trustee has not participated in the preparation of this Limited Offering Memorandum or any other disclosure documents relating to the Series 2018 Bonds. Except for information under the heading "THE TRUSTEE," the Trustee has or assumes no responsibility as to the accuracy or completeness of any information contained in this Limited Offering Memorandum or any other such disclosure documents.

References in this Limited Offering Memorandum to the Indenture, the Loan Agreement, the Lease, the Mortgage and the Continuing Disclosure Agreement, are qualified in their entirety by reference to such documents, and the description of the Series 2018 Bonds is qualified in its entirety by reference to the terms thereof and the information with respect thereto included in the Indenture and the Loan Agreement. References in this Limited Offering Memorandum to New York law and other documents do not purport to be complete. Potential investors should refer to such statutes and documents for full and complete details of their provisions. Copies of such documents are on file with the Trustee and the School.

The Chancellor of the City School District of the City of New York (the "Authorizer") has not participated in the preparation of this Limited Offering Memorandum or any other disclosure documents relating to the Series 2018 Bonds. The Authorizer does not assume any responsibility as to the accuracy or completeness of any information contained in this Limited Offering Memorandum or any other such disclosure documents.

THE SERIES 2018 BONDS ARE NOT RATED. The purchase of the Series 2018 Bonds involves a high degree of risk and the Series 2018 Bonds are a speculative investment. See "NOT RATED."

THE SERIES 2018 BONDS ARE TO BE OFFERED AND SOLD (INCLUDING IN SECONDARY MARKET TRANSACTIONS) ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A OF THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT")) OR "ACCREDITED INVESTORS" (AS DEFINED IN REGULATION D OF THE SECURITIES ACT). THE INDENTURE CONTAINS PROVISIONS LIMITING TRANSFERS OF THE SERIES 2018 BONDS AND BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2018 BONDS ONLY TO QUALIFIED INSTITUTIONAL BUYERS AND ACCREDITED INVESTORS.

THE SERIES 2018 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, AND THE INDENTURE HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2018 BONDS IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF LAWS OF THE STATES IN WHICH SERIES 2018 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2018 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS LIMITED OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

THIS LIMITED OFFERING MEMORANDUM, INCLUDING THE APPENDICES HERETO, CONTAINS STATEMENTS WHICH SHOULD BE CONSIDERED "FORWARD-LOOKING STATEMENTS," MEANING THEY REFER TO POSSIBLE FUTURE EVENTS OR CONDITIONS. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE WORDS SUCH AS "PLAN," "EXPECT," "ESTIMATE," "BUDGET," OR SIMILAR WORDS. THE BUDGET PROJECTION CONTAINED IN APPENDIX C ATTACHED TO THIS LIMITED OFFERING MEMORANDUM IS NOT A HISTORICAL STATEMENT OF FINANCIAL PERFORMANCE BUT IS A FORWARD LOOKING PROJECTION OF FUTURE, PROJECTED FINANCIAL PERFORMANCE. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS OR IN THE BUDGET PROJECTION INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE, OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS OR IN THE BUDGET PROJECTION. THE SCHOOL DOES NOT EXPECT OR INTEND TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS OR TO THE BUDGET PROJECTION IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS OR FORECASTS ARE BASED, OCCUR.

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SUMMARY INFORMATION

The following is a summary of certain information contained in this Limited Offering Memorandum. The summary is not comprehensive or complete and is qualified in its entirety by reference to the complete Limited Offering Memorandum (including the Appendices hereto). This Limited Offering Memorandum speaks only as of the date shown herein, and the information herein is subject to change.

Issuer	Build NYC Resource Corporation (the "Issuer") is a not-for-profit local development corporation created pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York (the "Act"), and is authorized by the Act to issue the Series 2018 Bonds. See "THE ISSUER" in this Limited Offering Memorandum.
Institution	Friends of Hebrew Public Borrower, LLC, the landlord of the Facility (as defined herein) (the "Institution") is a Delaware single member limited liability company formed to further the educational and charitable purposes of the Hebrew Language Academy Charter School 2, the tenant of the Facility (the "School"). The Institution will own the Facility and lease the Facility to the School. The National Center for Hebrew Language Charter School Excellence and Development, Inc. d/b/a Hebrew Public, a Delaware non-stock corporation (the "Manager") is the initial sole member of the Institution. See "THE INSTITUTION" and "APPENDIX A – HEBREW LANGUAGE ACADEMY CHARTER SCHOOL 2" in this Limited Offering Memorandum. Pursuant to certain conditions set forth in the Loan Agreement, the Manager may transfer its interest as the sole member of the Institution to the Friends of Hebrew Public, Inc.
School	The School is a New York not-for-profit education corporation organized under Article 56 of the New York Education Law, as amended (the "Charter Schools Act"), and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). On November 15, 2016, the Board of Regents of the State of New York, for and on behalf of the State Education Department, granted a charter to the School for a term of five years beginning September, 2017 and continuing through June 30, 2022. See "THE SCHOOL" and "APPENDIX A – HEBREW LANGUAGE ACADEMY CHARTER SCHOOL 2" in this Limited Offering Memorandum. See also "CHARTER SCHOOL FUNDING IN THE STATE OF NEW YORK" and "APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF NEW YORK EDUCATION LAW" in this Limited Offering Memorandum.
Manager	The Manager manages the operations of the School under the terms of an Educational Services Agreement (the "Management Agreement") between the School and the Manager. See "APPENDIX A – HEBREW LANGUAGE ACADEMY CHARTER SCHOOL 2" in this Limited Offering Memorandum.
Series 2018 Bonds	The Issuer is issuing its (i) Revenue Bonds, Series 2018A (Friends of Hebrew Public Borrower, LLC Project) (the "Series 2018A Bonds"), in the original aggregate principal amount of $34,030,000, and (ii) Taxable Revenue Bonds, Series 2018B (Friends of Hebrew Public Borrower, LLC Project) (the "Series 2018B Bonds" and together with the Series 2018A Bonds, the "Series 2018 Bonds"), in the original aggregate principal amount of $1,980,000, pursuant to an Indenture of Trust, dated as of September 1, 2018 (the "Indenture"), between the Issuer and The Bank of New York Mellon, New York, New York, as trustee (the "Trustee"). The Series 2018 Bonds will be issued in minimum authorized denominations of $100,000 or any integral multiple of $5,000 in excess thereof; *provided, however*, that if the Series 2018 Bonds are rated investment grade by a Rating Agency, then, upon the Trustee receiving written notice of the occurrence of such event, the Authorized Denominations with respect to the Series 2018 Bonds shall be $5,000 or any integral multiple thereof ("Authorized Denominations").

See "THE SERIES 2018 BONDS" in this Limited Offering Memorandum.

Plan of Finance and Use of Proceeds

The Issuer will loan the proceeds derived from the sale of the Series 2018 Bonds to the Institution pursuant to the terms of a Loan Agreement, dated as of September 1, 2018 (the "Loan Agreement"), by and between the Issuer and the Institution. Proceeds of the Series 2018 Bonds will be used by the Institution for the purposes of funding: (i) (a) the acquisition of an existing building on an approximately 17,425 square foot parcel of land located at 166 Kings Highway, Brooklyn, New York (the "Land"), (b) the demolition of the existing improvements on the Land, and (c) the construction of and furnishing and equipping of an approximately 34,570 square foot building to be comprised of three above-ground stories for general classroom and administrative use and a cellar with mechanical equipment, together with related site improvements (the "Facility"); (ii) the payment of capitalized interest; (iii) the funding of a portion of the Debt Service Reserve Fund Requirement; and (iv) the payment of certain costs of issuing the Series 2018 Bonds (collectively, the "Project"). The Facility will be owned by the Institution and leased to the School for use as a public charter elementary school, pursuant to a Lease, dated as of August 29, 2018 (the "Lease"). See "THE PROJECT AND PLAN OF FINANCE," "SOURCES AND USES OF FUNDS" and "APPENDIX A — HEBREW LANGUAGE ACADEMY CHARTER SCHOOL 2" in this Limited Offering Memorandum.

Security for the Series 2018 Bonds

The Series 2018 Bonds will be payable from (i) amounts held by the Trustee under the Indenture, including amounts held in the Debt Service Reserve Fund; and (ii) Loan Payments to be made by the Institution under the Loan Agreement. The Series 2018 Bonds will be additionally secured by the Mortgage, the Assignment of Lease, the Pledge and Security Agreement each as defined in and as more fully described herein.

The School will lease the Facility from the Institution pursuant to the Lease. The Rent (as defined in the Lease) payable to the Institution under the Lease will be in amounts sufficient to pay Loan Payments under the Loan Agreement.

Pursuant to the terms of the Lease, the School will pay all Rent directly to the Institution's bank account that is subject to the Account Control Agreement (as defined below). The Charter Schools Act prohibits the School from pledging or assigning Education Aid, Facilities Access Payments, and other amounts payable by the New York State Department of Education (the "Department of Education") to the School in connection with the construction, acquisition, reconstruction, rehabilitation, or improvement of a school facility. Pursuant to the terms of an Account Control Agreement, dated as of September 1, 2018 (the "Account Control Agreement"), among the Institution, the Trustee, and The Bank of New York Mellon, New York, New York, as depository bank for the Institution (the "Depositary Bank"), the Institution will grant a security interest in the Institution's operating account to the Trustee and will direct the Depositary Bank to transfer each Rent payment from the Institution's operating account to the Trustee for deposit to the Revenue Fund (such payment of Rent is anticipated to be sufficient to make all payments required under the Loan Agreement). Under the terms of the Account Control Agreement, upon an Event of Default under the Indenture, the Trustee will have control of and have the right to make withdrawals from such operating account. In the Account Control Agreement, the Institution covenants to not open any additional bank accounts unless such accounts are subject to the Account Control Agreement.

Pursuant to a Continuing Covenants Agreement, dated as of September 1, 2018 (the "Covenant Agreement"), among the Institution, School, the Bondholder Representative and the Trustee, the Institution and the School will make certain covenants for the benefit of the Trustee and the Bondholder Representative,

including that the School will comply with the terms of the Lease, for the benefit of the holders of the Series 2018 Bonds and any Additional Bonds issued under the Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS" in this Limited Offering Memorandum.

Pursuant to a Pledge and Security Agreement, dated as of September 1, 2018 (the "Pledge and Security Agreement"), between the Institution and the Trustee, the Institution will pledge to the Trustee a security interest in the Pledged Collateral (as defined herein). See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS" in this Limited Offering Memorandum.

Special Limited Obligations

THE SERIES 2018 BONDS ARE SPECIAL LIMITED REVENUE OBLIGATIONS OF THE ISSUER, PAYABLE AS TO PRINCIPAL, REDEMPTION PRICE AND INTEREST, SOLELY FROM THE TRUST ESTATE AND CERTAIN FUNDS AND ACCOUNTS ESTABLISHED UNDER THE INDENTURE. NEITHER THE STATE OF NEW YORK (THE "STATE") NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY OF NEW YORK, NEW YORK (THE "CITY") SHALL BE OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE SERIES 2018 BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY, IS PLEDGED TO SUCH PAYMENT OF THE SERIES 2018 BONDS. THE SERIES 2018 BONDS WILL NOT BE PAYABLE OUT OF ANY FUNDS OF THE ISSUER OTHER THAN THOSE PLEDGED THEREFOR PURSUANT TO THE INDENTURE. THE SERIES 2018 BONDS WILL NOT GIVE RISE TO A PECUNIARY LIABILITY OR CHARGE AGAINST THE CREDIT OR TAXING POWERS OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY. NO RECOURSE WILL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE SERIES 2018 BONDS AGAINST ANY MEMBER, OFFICER, DIRECTOR, EMPLOYEE OR AGENT OF THE ISSUER. THE ISSUER HAS NO TAXING POWER.

Risk Factors

Purchase of the Series 2018 Bonds involves a degree of risk. A prospective purchaser of the Series 2018 Bonds is advised to read this entire Limited Offering Memorandum including the Appendices attached hereto in their entirety, particularly the section entitled "RISK FACTORS" in this Limited Offering Memorandum, for a discussion of certain risk factors, which should be considered in connection with an investment in the Series 2018 Bonds.

Purchase and Transfer Restrictions

The Series 2018 Bonds may be purchased only by (i) a "Qualified Institutional Buyer" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the "Securities Act"), or (ii) an "Accredited Investor" as defined in Rule 501 of Regulation D promulgated under the Securities Act. The purchase restrictions described in this paragraph apply to initial purchases of the Series 2018 Bonds and to all subsequent sales or transfers of the Series 2018 Bonds. See "THE SERIES 2018 BONDS — Purchase and Transfer Restrictions on Series 2018 Bonds" and "TRANSFER RESTRICTIONS" in this Limited Offering Memorandum

Optional Redemption

The Series 2018A are subject to optional redemption, on or after August 15, 2028 in whole or in part at any time (but if in part in Authorized Denominations) at the option of the Issuer (which option shall be exercised only upon the giving of notice by the Institution of its intention to prepay Loan Payments due under the Loan Agreement), at the Redemption Price of 100% of unpaid principal amount of the Series 2018A Bonds to be redeemed, plus accrued interest to the date of redemption. The Series 2018B Bonds shall not be subject to optional redemption prior to maturity. See "THE SERIES 2018 BONDS — Redemption of Series 2018

	Bonds — General Optional Redemption" in this Limited Offering Memorandum.
Mandatory Redemption	The Series 2018 Bonds are also subject to mandatory sinking fund redemption as set forth in this Limited Offering Memorandum. See "THE SERIES 2018 BONDS — Redemption of Series 2018 Bonds" in this Limited Offering Memorandum.
Extraordinary Mandatory Redemption	Under certain circumstances the Series 2018 Bonds are also subject to redemption at a redemption price equal to the principal amount, plus accrued interest upon the occurrence of certain events of damage, destruction or condemnation. The Series 2018 Bonds are also subject to mandatory redemption upon the Issuer's determination of (i) the Institution's failure to operate the Facility for the Approved Project Operations, (ii) the Institution's material violation of material legal requirements, (iii) certain false representations by the Institution, (iv) a required disclosure statement delivered to the Issuer is not acceptable or (v) the Institution's failure to maintain liability insurance. The Series 2018 Bonds are also subject to mandatory redemption in the event, and to the extent excess proceeds remain after the completion of the Project. The Series 2018A Bonds are also subject to mandatory redemption upon the occurrence of a Determination of Taxability. See "THE SERIES 2018 BONDS — Redemption of Series 2018 Bonds" in this Limited Offering Memorandum.
Exchange and Transfer	While the Series 2018 Bonds remain in book-entry only form, transfer of ownership by Beneficial Owners may be made as described in "THE SERIES 2018 BONDS" and "APPENDIX J — BOOK-ENTRY ONLY SYSTEM" in this Limited Offering Memorandum. See "THE SERIES 2018 BONDS — Purchase and Transfer Restrictions on Series 2018 Bonds" in this Limited Offering Memorandum
Payment	Interest accrues on the Series 2018 Bonds at the rates set forth on the inside front cover of this Limited Offering Memorandum from their date of issuance and is payable on June 15 and December 15 of each year, commencing December 15, 2018 (each an "Interest Payment Date"). The Series 2018 Bonds mature as set forth on the inside front cover of this Limited Offering Memorandum. Interest on and the principal of the Series 2018 Bonds is payable as described under the heading "THE SERIES 2018 BONDS — Interest; Maturity; Payment" and "THE SERIES 2018 BONDS — Redemption of Series 2018 Bonds — Mandatory Sinking Fund Installment Redemption" in this Limited Offering Memorandum.
Trustee and Paying Agent	The Bank of New York Mellon, New York, New York is the trustee and paying agent under the Indenture. See "THE TRUSTEE" in this Limited Offering Memorandum.
Form	The Series 2018 Bonds will be registered under a book-entry system in the name of The Depository Trust Company ("DTC") or its nominees. See "THE SERIES 2018 Bonds" in this Limited Offering Memorandum.
Tax Status	In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by the Issuer, the Institution, the Manager and the School described herein, interest on the Series 2018A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Bond Counsel is further of the opinion that interest on the Series 2018A Bonds is exempt from personal income taxation imposed by the State of New York or any political subdivision thereof including the City of New York. Interest on the Series 2018B Bonds is not excluded from gross income for federal income tax purposes under the Code and is not exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including The City of

	New York. See "TAX MATTERS" and "APPENDIX H — FORM OF BOND COUNSEL OPINION" in this Limited Offering Memorandum.
Continuing Disclosure Agreement	The Institution and the School have agreed for the benefit of the Bondholders and Beneficial Owners (as defined in the Indenture) of the Series 2018 Bonds to provide certain financial information, other operating data and notices of material events. Neither the Institution nor the School has been subject to any prior continuing disclosure undertaking under Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, § 240.15c2-12) (the "Rule"). See "CONTINUING DISCLOSURE," and "APPENDIX I – FORM OF CONTINUING DISCLOSURE AGREEMENT" in this Limited Offering Memorandum.
No Rating	No rating from any Rating Agency has been applied for relating to the Series 2018 Bonds. See "NOT RATED" in this Limited Offering Memorandum.
Additional Information	The summaries of or references to constitutional provisions, statutes, resolutions, agreements, contracts, financial statements, reports, publications and other documents or compilations of data or information set forth in this Limited Offering Memorandum do not purport to be complete statements of the provisions of the items summarized or referred to and are qualified in their entirety by the actual provisions of such items, copies of which are either publicly available or available upon request and the payment of a reasonable copying, mailing and handling charge from the Underwriter, 1550 Market Street, Suite 300, Denver, CO 80202 or the Trustee, 240 Greenwich Street, Floor 7W, New York, New York 10286, Attention: Corporate Trust Administration.
Unaudited Financial Statements	The unaudited financial statements of the School for the fiscal year ended June 30, 2018 are included in this Limited Offering Memorandum as APPENDIX D. See "UNAUDITED FINANCIAL STATEMENTS OF THE SCHOOL" and "APPENDIX D — UNAUDITED FINANCIAL STATEMENTS OF THE SCHOOL" in this Limited Offering Memorandum.
Budget Projection	The Budget Projection (the "Budget Projection") attached hereto in APPENDIX C is a projection of the future financial performance of the School based upon certain assumptions made by the School and contained therein. NO ASSURANCES CAN BE GIVEN THAT THE OPERATIONS OF THE SCHOOL WILL EQUAL OR EXCEED THE PROJECTED FUTURE FINANCIAL PERFORMANCE SET FORTH IN THE BUDGET PROJECTION. The Budget Projection is for the fiscal years of the School ending June 30, 2018 through June 30, 2025.

LIMITED OFFERING MEMORANDUM

$34,030,000
Build NYC Resource Corporation
Revenue Bonds, Series 2018A
(Friends of Hebrew Public Borrower, LLC Project)

$1,980,000
Build NYC Resource Corporation
Taxable Revenue Bonds, Series 2018B
(Friends of Hebrew Public Borrower, LLC Project)

INTRODUCTORY STATEMENT

The following is a brief introduction as to certain matters discussed elsewhere in this Limited Offering Memorandum and is qualified in its entirety as to such matters by such discussion and the text of the actual documents described or referenced. Capitalized terms not defined herein have the meanings assigned herein or in the Indenture, the Loan Agreement or other document with respect to which the term is used. The Appendices to this Limited Offering Memorandum are an integral part of this Limited Offering Memorandum and each potential investor should review the Appendices in their entirety.

General

Build NYC Resource Corporation, a not-for-profit local development corporation created pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York (the "Issuer"), will issue its (i) Revenue Bonds, Series 2018A (Friends of Hebrew Public Borrower, LLC Project) (the "Series 2018A Bonds"), in the original aggregate principal amount of $34,030,000, and (ii) Taxable Revenue Bonds, Series 2018B (Friends of Hebrew Public Borrower, LLC Project) (the "Series 2018B Bonds" and together with the Series 2018A Bonds, the "Series 2018 Bonds"), in the original aggregate principal amount of $1,980,000, pursuant to an Indenture of Trust, dated as of September 1, 2018 (the "Indenture"), between the Issuer and The Bank of New York Mellon, New York, New York, as trustee (the "Trustee"). The Issuer will loan the proceeds of the Series 2018 Bonds (the "Loan") to Friends of Hebrew Public Borrower, LLC, a Delaware limited liability company (the "Institution"), whose sole member is currently the National Center for Hebrew Language Charter School Excellence and Development, Inc. d/b/a Hebrew Public, a Delaware non-stock corporation (the "Manager") and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), pursuant to a Loan Agreement, dated as of September 1, 2018 (the "Loan Agreement"), between the Issuer and the Institution. See "APPENDIX E — FORM OF LOAN AGREEMENT" in this Limited Offering Memorandum.

Proceeds of the Series 2018 Bonds will be used by the Institution for the purposes of funding: (i) (a) the acquisition of an existing building on an approximately 17,425 square foot parcel of land located at 166 Kings Highway, Brooklyn, New York (the "Land"), (b) the demolition of the existing improvements on the Land, and (c) the construction of and furnishing and equipping of an approximately 34,570 square foot building to be comprised of three above-ground stories for general classroom and administrative use and a cellar with mechanical equipment, together with related site improvements (the "Facility"); (ii) the payment of capitalized interest; (iii) the funding of a portion of the Debt Service Reserve Fund Requirement; and (iv) the payment of certain costs of issuing the Series 2018 Bonds (collectively, the "Project"). The Facility will be owned by the Institution and leased to the School for use as a public charter elementary school pursuant to a Lease, dated as of August 29, 2018 (the "Lease"). See "THE PROJECT AND PLAN OF FINANCE," "SOURCES AND USES OF FUNDS" and "APPENDIX A – HEBREW LANGUAGE ACADEMY CHARTER SCHOOL 2" in this Limited Offering Memorandum.

Loan of Series 2018 Bond Proceeds; Mortgage and Other Security

Proceeds of the Series 2018 Bonds will be loaned by the Issuer to the Institution pursuant to the Loan Agreement and the Series 2018 Bonds will be payable primarily from and secured by a pledge of payments to be made by the Institution (the "Loan Payments") under the Loan Agreement and one or more Promissory Notes from the Institution to the Issuer (collectively, the "Promissory Note"), which, if fully and promptly paid, will be sufficient to pay when due the scheduled principal of and interest on the Series 2018 Bonds and any Additional Bonds (collectively, the "Bonds"). The Series 2018 Bonds will also be secured by (i) that certain Mortgage and Security Agreement (Acquisition Loan), Mortgage and Security Agreement (Building Loan) and Mortgage and Security Agreement (Indirect Loan), each dated as of September 1, 2018 (collectively, the "Mortgage"), each to be executed by the Institution in favor of the Issuer and the Trustee, and each as assigned by the Issuer to the Trustee under the terms of that certain Assignment of Mortgage and Security Agreement (Acquisition Loan), Assignment of Mortgage and Security Agreement (Building Loan) and Assignment of Mortgage and Security Agreement (Indirect Loan), each dated as of September 1, 2018 (collectively, the "Assignment of Mortgage"), (ii) an Assignment of Lease, dated as of September 6, 2018 (the "Assignment of Lease"), from the Institution to the Trustee and (iii) a pledge of the Pledged Collateral pursuant to the Pledge and Security Agreement, dated as of September 1, 2018 (the "Pledge and Security Agreement"). See "APPENDIX E – FORM OF LOAN AGREEMENT" and "APPENDIX F – FORM OF INDENTURE OF TRUST" in this Limited Offering Memorandum.

Pursuant to the terms of the Lease, the School will pay all Rent directly to the Institution's bank account that is subject to the Account Control Agreement (as defined below). The Charter Schools Act prohibits the School from pledging or assigning Education Aid, Facilities Access Payments, and other amounts payable by the New York State Department of Education (the "Department of Education") to the School in connection with the construction, acquisition, reconstruction, rehabilitation, or improvement of a school facility. Pursuant to the terms of an Account Control Agreement, dated as of September 1, 2018 (the "Account Control Agreement"), among the Institution, the Trustee, and The Bank of New York Mellon, New York, New York, as depositary bank for the Institution (the "Depositary Bank"), the Institution will grant a security interest in the Institution's operating account to the Trustee and will direct the Depositary Bank to transfer each Rent payment from the Institution's operating account to the Trustee for deposit to the Revenue Fund (such payment of Rent is anticipated to be sufficient to make all payments required under the Loan Agreement). Under the terms of the Account Control Agreement, upon an Event of Default under the Indenture the Trustee will have control of and have the right to make withdrawals from such operating account. In the Account Control Agreement, the Institution covenants to not open any additional bank accounts unless such accounts are subject to the Account Control Agreement.

Pursuant to the Indenture, the Issuer will pledge to the Trustee, for the benefit of the holders of the Series 2018 Bonds, all of its interest in the Loan Agreement (other than the Issuer's Reserved Rights) to secure payment of the principal of, premium, if any, and interest on the Series 2018 Bonds. Pursuant to the Mortgage, the payment of the principal of, premium, if any, and interest on the Series 2018 Bonds will be secured by a mortgage lien on and security interest in the Facility, subject to certain "Permitted Encumbrances" described in the Mortgage. Pursuant to the Assignment of Lease, the Institution will assign all of its interest in the Lease and the Rent to the Trustee to secure payment of the principal of, premium, if any, and interest on the Series 2018 Bonds. The obligation of the Institution to make Loan Payments under the Loan Agreement is an absolute and unconditional obligation of the Institution. However, the Institution will not have any other sources of revenue other than Rent payments received from the School under the Lease, and the ability of the Institution to generate additional revenues is limited in the event that the Education Aid payments and Facilities Access Payments (as defined herein) received by the School are not sufficient to make the required payments of Rent under the Lease. See

"SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS" in this Limited Offering Memorandum.

Lease

Pursuant to the Lease, the Institution, upon purchase of the Facility using proceeds of the Series 2018 Bonds, will lease the Facility to the School. The School will operate its public charter school at the Facility upon completion of construction. Rent payable to the Institution by the School under the Lease will be sufficient to pay Loan Payments under the Loan Agreement. The initial term of the Lease commences on August 29, 2018 and extends to June 30, 2062. Pursuant to the Assignment of Lease, as security for the Series 2018 Bonds, the Institution will assign to the Trustee all of the Institution's interest in and to the Lease, including all of its right, title and interest in all rents, income, receipts, revenue and profits arising from the Lease. The terms of the Lease require that the School pay all amounts of Rent directly to the Institution's bank account that is subject to the terms of the Account Control Agreement. The first payment of Rent will be due on September 1, 2020 or such later date that the School obtains occupancy, but in no event later than July 1, 2021, and thereafter Rent will be payable on the first day (or if such day is not a business day, on the next succeeding business day) of each August, September, November, January, March and May. The Depositary Bank will transfer each Rent payment from the Institution's operating account to the Trustee for deposit in the Revenue Fund as required by the terms of the Account Control Agreement. For a further description of the Lease, see "APPENDIX G – FORM OF LEASE."

Continuing Disclosure

The Institution and the School will agree in the Continuing Disclosure Agreement to provide certain annual financial reports, certain periodic quarterly and annual financial reports and notices of certain other events with respect to the Series 2018 Bonds. See "CONTINUING DISCLOSURE" in this Limited Offering Memorandum.

Special Covenants of the Institution and the School; Additional Indebtedness

Pursuant to a Continuing Covenants Agreement, dated as of September 1, 2018 (the "Covenant Agreement") among the Institution, the School, the Bondholder Representative and the Trustee, the Institution and the School will make certain covenants for the benefit of the Bondholder Representative and the Trustee, including that the School will comply with the terms of the Lease, for the benefit of the holders of the Series 2018 Bonds and any Additional Bonds issued under the Indenture. The Covenant Agreement requires the Institution and the School to comply with certain financial covenants and places certain restrictions on the incurrence of indebtedness by the School and the Institution. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS – Special Covenants of the Institution and the School; Additional Indebtedness" in this Limited Offering Memorandum.

Bondholders' Risks

Certain risks associated with an investment in the Series 2018 Bonds are discussed under "RISK FACTORS" in this Limited Offering Memorandum.

Miscellaneous

This Limited Offering Memorandum (including the Appendices hereto) contains descriptions of, among other matters, the Indenture, the Loan Agreement, the Mortgage, the Lease, the Pledge and Security Agreement, the Assignment of Lease, the Account Control Agreement, the Covenant Agreement,

the Continuing Disclosure Agreement, the Issuer, the Facility, the Institution, the Manager, the School and the Series 2018 Bonds. Such descriptions and information do not purport to be comprehensive or definitive. All references to documents described herein are qualified in their entirety by reference to such documents, copies of which are available for inspection at the designated corporate trust office of the Trustee.

THE ISSUER

Build NYC Resource Corporation (the "Issuer") is a not-for-profit local development corporation created pursuant to the Not-for-Profit Corporation Law of the State, as amended, at the direction of the Mayor of the City. The Issuer is not an agency of State or City government. The Issuer is authorized by the Not-for-Profit Corporation Law of the State and the Issuer's Certificate of Incorporation (i) to promote community and economic development and the creation of jobs in the non-profit and for-profit sectors for the citizens of the City by developing and providing programs for not-for-profit institutions, manufacturing and industrial businesses and other entities to access tax-exempt and taxable financing for their eligible projects; (ii) to issue and sell one or more series or classes of bonds, notes and other obligations through private placement, negotiated underwriting or competitive underwriting to finance such activities above, on a secured or unsecured basis; and (iii) to undertake other eligible projects that are appropriate functions for a non-profit local development corporation for the purpose of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, carrying on scientific research for the purpose of aiding the City by attracting new industry to the City or by encouraging the development of or retention of an industry in the City, and lessening the burdens of government and acting in the public interest. The Issuer's Certificate of Incorporation further provides that the activities referred to in clause (i) above will achieve the lawful public purposes of lessening the burdens of government, the carrying out of such objective and the exercise of the powers conferred on the Issuer being the performance of an essential governmental function, and the performance of such activities will assist the City in reducing unemployment and promoting additional job growth and economic development.

The Issuer has offered and plans to offer other obligations from time to time to finance eligible projects for other eligible entities. Such obligations have been and will be issued pursuant to and secured by instruments separate and apart from the Indenture.

The Series 2018 Bonds are special, limited revenue obligations of the Issuer payable solely out of certain funds pledged therefor. Nothing in the Series 2018 Bonds or the Indenture shall be considered as pledging or committing any other funds or assets of the Issuer to the payment of the Series 2018 Bonds or the satisfaction of any other obligation of the Issuer under the Series 2018 Bonds or the Indenture. Neither the Issuer nor its members, directors, officers, agents, servants or employees, nor any person executing the Series 2018 Bonds, shall be liable personally with respect to the Series 2018 Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. Accordingly, no financial information regarding the Issuer or its members, directors, officers, employees or agents has been included herein.

Neither the State nor any political subdivision of the State including, without limitation, the City, is or shall be obligated to pay the principal or redemption price of or interest on the Series 2018 Bonds, and neither the faith and credit nor the taxing power of the State or the City is pledged to such payment. The Issuer has no taxing power.

The Issuer has not prepared or assisted in the preparation of this Limited Offering Memorandum, except for statements under the sections captioned "THE ISSUER" and "ABSENCE OF MATERIAL LITIGATION — The Issuer," and except as aforesaid, the Issuer is not responsible for any statements

made in this Limited Offering Memorandum. Except for the execution and delivery of documents required to effect the issuance of the Series 2018 Bonds, the Issuer has not otherwise assisted in the offer, sale or distribution of the Series 2018 Bonds. Accordingly, except as aforesaid, the Issuer disclaims responsibility for the disclosures set forth in this Limited Offering Memorandum or otherwise made in connection with the offer, sale or distribution of the Series 2018 Bonds. The Institution has agreed to indemnify the Issuer against certain liabilities relating to this Limited Offering Memorandum.

THE INSTITUTION

The Institution is a Delaware limited liability company whose initial sole member is the Manager. The Institution was formed on March 19, 2018. The Institution has elected to be treated as a "disregarded entity" under the Code. The Institution will acquire the Land, construct and own the Facility and complete the Project. The Institution will lease the Facility to the School. Additional information about the Institution is located in "APPENDIX A – HEBREW LANGUAGE ACADEMY CHARTER SCHOOL 2" in this Limited Offering Memorandum. It is anticipated that the Manager's interest as sole member of the Institution will be transferred to the Friends of Hebrew Public, Inc. (the "Organization"), a New York not-for-profit corporation, following the determination by the Internal Revenue Service that the Organization is an organization described in Section 501(c)(3) of the Code. The Organization will not be a borrower under or a party to the Loan Agreement or the Promissory Note and will not be obligated to make payments under the Loan Agreement or pay debt service on the Series 2018 Bonds.

THE SCHOOL

The School is a not-for-profit education corporation incorporated under Article 56 of the New York Education Law and operates pursuant to a charter agreement with the New York State Education Department (the "Authorizer"). On November 15, 2016, the Board of Regents of the State of New York, for and on behalf of the Authorizer, incorporated the School by issuing a certificate of incorporation known as a provisional charter and granted a charter to the School for a term of five years beginning September, 2017 and continuing through June 30, 2022 (the "Charter") to establish and operate the School. The Charter provides for the education of students in grades K-5.

The School is an organization described in Section 501(c)(3) of the Code which is exempt from federal income taxation under Section 501(a) of the Code (except with respect to "unrelated business taxable income" within the meaning of Section 512(a) of the Code) and which is not a "private foundation" as defined in Section 509(a) of the Code. The School operates as a New York not-for-profit education corporation and as such is governed by the law applicable to such entities and its Charter and bylaws. The School's bylaws provide that the School is managed and controlled by a Board of Trustees. For more information with respect to the School and its history and operations, see "APPENDIX A – HEBREW LANGUAGE ACADEMY CHARTER SCHOOL 2" in this Limited Offering Memorandum. The School will not be a borrower under or a party to the Loan Agreement or the Promissory Note and will not be obligated to make payments under the Loan Agreement or pay debt service on the Series 2018 Bonds.

THE MANAGER

National Center for Hebrew Language Charter School Excellence and Development, Inc. d/b/a Hebrew Public, a Delaware non-stock corporation and an exempt organization described in Section 501(c)(3) of the Code (the "Manager"), manages the operations of the School pursuant to an Educational Services Agreement (the "Management Agreement"). The Manager currently manages three charter schools in New York City serving approximately 1,500 students. See "APPENDIX A – HEBREW LANGUAGE ACADEMY CHARTER SCHOOL 2" in this Limited Offering Memorandum.

THE PROJECT AND PLAN OF FINANCE

Use of Proceeds of the Series 2018 Bonds. Proceeds of the Series 2018 Bonds will be used by the Institution for the purposes of funding: (i) (a) the acquisition of the Land and the existing building, (b) the demolition of the existing improvements on the Land, and (c) the construction of and furnishing and equipping of the Facility; (ii) the payment of capitalized interest; (iii) the funding of a portion of the Debt Service Reserve Fund Requirement; and (iv) the payment of certain costs of issuing the Series 2018 Bonds (collectively, the "Project"). The Facility will be owned by the Institution and leased to the School for use as a public charter school for students in grades K-5 pursuant to the Lease.

Acquisition of the Land. On March 29, 2018, the Organization entered into a Contract of Sale - Office, Commercial and Multi-Family Residential Premises (the "Sale Contract") with 166 King Rio LLC (the "Seller") for the Land, pursuant to which the Organization agreed to purchase, and the Seller agreed to sell, the Land at a purchase price of $9,042,000.00. The Organization assigned its rights under the Sale Contract to the Institution under the terms of an Assignment of Purchase and Sale Agreement dated as of July 24, 2018. Upon the closing of the Institution's purchase of the Land, the Institution and School will enter into the Lease. The Seller is unrelated to the Institution, the Manager or the School or any of their respective employees or officers and no officer or employee of the Institution, the Manager or the School has any interest in the Seller.

SOURCES AND USES OF FUNDS

Following are the estimated sources and uses for funds (excluding investment income) associated with the Project and the issuance of the Series 2018 Bonds:

Sources of Funds	
Series 2018A Bond Proceeds	$34,030,000.00
Series 2018B Bond Proceeds	1,980,000.00
(Original Issue Discount)	(1,800,500.00)
Total Sources of Funds	$34,209,500.00
Uses of Funds	
Deposit in the Project Fund	$27,447,922.47
Deposit in the Capitalized Interest Fund	3,624,324.41
Deposit to the Series 2018A Account of the Debt Service Reserve Fund[1]	1,224,184.61
Deposit to the Series 2018B Account of the Debt Service Reserve Fund	71,227.90
Costs of Issuance and Real Estate Closing Costs[2]	1,841,840.61
Total Uses of Funds	$34,209,500.00

[1] *Represents one half of the Debt Service Reserve Fund Requirement for the Series 2018A Bonds and will be funded from the last draw of the Series 2018A Bonds. The remainder of the Debt Service Reserve Fund Requirement for the Series 2018A Bonds will be funded with funds of the Institution. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS – The Debt Service Reserve Fund."*

[2] *Includes Underwriter's compensation, legal fees and expenses, printing, appraisal fees, Trustee fees, Issuer fees, real estate costs and other expenses associated with the issuance of the Series 2018 Bonds.*

DEBT SERVICE SCHEDULE

The table below sets forth the amounts required to be paid with respect to the Series 2018 Bonds, assuming no prepayments or redemption prior to maturity. All amounts shown in the table below are gross debt service prior to the application of any earnings on amounts deposited in funds and accounts established under the Indenture. Interest on the Series 2018 Bonds will be paid on June 15 and December 15 of each year, commencing December 15, 2018. Principal of the Series 2018 Bonds will be paid on June 15 of each year, commencing (i) June 15, 2023 for the Series 2018A Bonds and (ii) June 15, 2023 for the Series 2018B Bonds.

Year Ending (June 15)	Series 2018A Bonds		Series 2018B Bonds		Total Debt Service
	Principal Amount	Interest Amount	Principal Amount	Interest Amount	
2019	$ –	$ 914,967.61	$ –	$ 118,923.75	$ 1,033,891.36
2020	–	1,897,520.55	–	153,450.00	2,050,970.55
2021	–	1,999,262.50	–	153,450.00	2,152,712.50
2022	–	1,999,262.50	–	153,450.00	2,152,712.50
2023	–	1,999,262.50	435,000	153,450.00	2,587,712.50
2024	–	1,999,262.50	465,000	119,737.50	2,584,000.00
2025	–	1,999,262.50	505,000	83,700.00	2,587,962.50
2026	–	1,999,262.50	540,000	44,562.50	2,583,825.00
2027	550,000.00	1,999,262.50	35,000	2,712.50	2,586,975.00
2028	620,000.00	1,966,950.02			2,586,950.02
2029	660,000.00	1,930,525.02			2,590,525.02
2030	695,000.00	1,891,750.02			2,586,750.02
2031	735,000.00	1,850,918.76			2,585,918.76
2032	780,000.00	1,807,737.52			2,587,737.52
2033	825,000.00	1,761,912.52			2,586,912.52
2034	875,000.00	1,713,443.76			2,588,443.76
2035	925,000.00	1,662,037.52			2,587,037.52
2036	980,000.00	1,607,693.76			2,587,693.76
2037	1,040,000.00	1,550,118.76			2,590,118.76
2038	1,100,000.00	1,489,018.78			2,589,018.78
2039	1,165,000.00	1,424,393.76			2,589,393.76
2040	1,230,000.00	1,355,950.02			2,585,950.02
2041	1,305,000.00	1,283,687.52			2,588,687.52
2042	1,380,000.00	1,207,018.76			2,587,018.76
2043	1,460,000.00	1,125,943.78			2,585,943.78
2044	1,550,000.00	1,040,168.76			2,590,168.76
2045	1,640,000.00	949,106.28			2,589,106.28
2046	1,735,000.00	852,756.26			2,587,756.26
2047	1,840,000.00	750,825.02			2,590,825.02
2048	1,945,000.00	642,725.04			2,587,725.04
2049	2,060,000.00	528,456.26			2,588,456.26
2050	2,180,000.00	407,431.26			2,587,431.26
2051	2,310,000.00	279,356.26			2,589,356.26
2052	2,445,000.00	143,643.78			2,588,643.78
Totals	**$34,030,000.00**	**$48,030,894.86**	**$1,980,000.00**	**$983,436.25**	**$85,024,331.11**

CHARTER SCHOOL FUNDING IN THE STATE OF NEW YORK

This section provides a brief overview of New York's current system for funding charter schools. Prospective purchasers of the Series 2018 Bonds should note that the overview contained below and the summary of relevant New York state law provisions contained in APPENDIX B hereto are provided for the convenience of prospective purchasers but are not and do not purport to be comprehensive. Potential purchasers should note that the law applicable to charter schools in New York has developed over time and is subject to further changes in the future. See "RISK FACTORS – Changes in Law; Annual Appropriation; Inadequate Education Aid Payments" in this Limited Offering Memorandum.

General

Charter schools in New York are eligible to receive funds from State, federal and private sources. The principal source of charter school funding in New York is "Charter School Basic Tuition" which is paid directly to a charter school by the school district of residence of each student enrolled in the charter school. The enrollment of students attending charter schools is included in the enrollment, attendance, membership and, if applicable, count of students with disabilities of the school district in which the pupil resides. The amount of Charter School Basic Tuition for a particular school year paid by a school district is derived from formulas based on the school district's "Expense Per Pupil" as defined in the State Education Law. See "Charter School Basic Tuition" below for a more detailed description. In addition, the school district of residence of a student with a disability attending a charter school is required to pay directly to such charter school any federal or state aid attributable to such student in proportion to the level of services for such student with a disability that the charter school provides directly or indirectly. Such amounts may be reduced pursuant to an agreement between the school and the charter entity as set forth in the charter. See "Federal and State Aid Attributable to a Student with a Disability" below for further detail. In the event a school district fails to make the payments described above, the State comptroller is directed to deduct from any State funds which become due to such school district an amount equal to the unpaid obligation, which the State comptroller will then pay to the charter school. In 2014, the Charter Schools Act was amended to provide for facilities assistance to charter schools under certain circumstances. Such assistance may be in the form of co-located space within a school district facility, alternative private space or, under certain circumstances, rental subsidy payments in an amount determined pursuant to the Charter Schools Act. See "Facilities Access Payments/Rental Assistance" below for a more detailed description. See "APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF NEW YORK EDUCATION LAW" in this Limited Offering Memorandum.

For the 2017-18 school year, the School received $1,868,000 in "Expense Per Pupil" payments for general education students and $188,000 in "Expense Per Pupil" payments for students with a disability. In addition, for the 2017-18 school year, the School received $560,000 in Facilities Access Payments (as defined and more fully set forth below).

Facilities Access Payments/Rental Assistance

In March 2014, Section 2853 of the Charter Schools Act was amended to grant a subset of New York charter schools a new statutory right to request access to facilities. Charter schools in New York City that commenced instruction or added grade levels in the 2014-2015 school year or thereafter are eligible to request co-location within a public school building. Upon such request, such charter school must be provided access to facilities pursuant to the Charter Schools Act, either in co-located space in a school district building, alternative private space provided by the school district at no cost to the charter school, or, upon a successful appeal by the charter school, in the form of rental assistance payments from the school district ("Facilities Access Payments"). For eligible charter schools that have expanded grade levels during the 2014-2015 school year or thereafter, the Facilities Access Payments are calculated, as

described below, based on increases in enrollment from the school year prior to the first year of the expansion to the current school year.

The amount of Facilities Access Payments is determined pursuant to a formula set forth in the Charter Schools Act. If an appeal of a school district's offer or failure to offer a co-location site in response to a charter school's request results in a determination in favor of the charter school, the city school district will pay the charter school an amount attributable to the grade level expansion or the formation of the new charter school that is equal to the lesser of:

(a) the actual rental cost of an alternative privately owned site selected by the charter school or

(b) 30% of the product of the Charter School Basic Tuition for the current school year and (i) for a new charter school that first commences instruction on or after July 1, 2014, the charter school's current year enrollment; or (ii) for a charter school which expands its grade level, pursuant to the Charter Schools Act, the positive difference of the charter school's enrollment in the current school year minus the charter school's enrollment in the school year prior to the first year of the expansion.

A 2017 amendment to the Charter Schools Act increased the percentage in (b) above from 20% to 30%. Further, pursuant to the Charter Schools Act, there have been annual adjustments to the calculation of Charter School Basic Tuition, which have resulted in increases to the amount of Facilities Access Payments available to eligible New York City charter schools, to the extent such amount does not exceed a charter school's actual rental costs.

By letter to the New York City Department of Education (the "NYC DOE") dated December 8, 2016, the School requested co-location in a public school building pursuant to Section 2853 of the Charter Schools Act. The NYC DOE acknowledged the School's request, but stated that it would not be extending an offer of space at that time. In March 2017, the School filed an appeal to the Commission of the State of New York Department of Education, challenging the NYC DOE's failure to offer it a co-location site in a public school building or space in a privately-owned or publicly-owned facility, as required by Section 2853 of the Charter Schools Act. Since the NYC DOE did not offer the School space in a privately-owned or other publicly-owned facility, the Commission determined that the NYC DOE failed to comply with the requirements of Section 2853 of the Charter Schools Act. Therefore, the NYC DOE is required to pay rental assistance to the School based on student enrollment for the current year in all grades for which it has been approved to provide instruction during its current charter term and any subsequent renewal term, provided that, in any such renewal term, the School serves the grades encompassed by the Charter. The amounts payable to a charter school in its first year of operation are based on the projections of initial-year enrollment set forth in the charter until actual enrollment is reported to the school district by the charter school. Such projections are then reconciled with the actual enrollment at the end of the charter school's first year of operation, and any adjustment will be made to payments during the charter school's second year of operation.

The NYC DOE pays to the School the lesser of the actual rental cost of an alternative privately-owned site selected by the School or 30 percent of the product of the School's basic tuition for the then-current school year (i.e., the 2017-18 school year) and the School's enrollment for the then-current school year (i.e., the 2017-18 school year), equaling a total of $560,000 for the 2017-18 school year. Facilities Access Payments are paid by a city school district to a charter school in the same manner as federal or state aid attributable to a student with a disability is paid pursuant to the Charter Schools Act (i.e.: in six substantially equal bi-monthly installments each year beginning on the first business day of July and every two months thereafter). See also "APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF NEW YORK EDUCATION LAW" in this Limited Offering Memorandum.

Charter School Basic Tuition

Charter School Basic Tuition is calculated according to a series of statutory formulas, which are detailed and complicated. By way of overview, a description of the Charter School Basic Tuition formula is provided in this section. Pursuant to Section 2856 of the Charter Schools Act, Charter School Basic Tuition is equal to the school district's "Expense Per Pupil" for the year prior to the "Base Year" (i.e., the school year immediately preceding the current year) increased by the percentage change in the state total "Approved Operating Expense" from two years prior to the Base Year to the Base Year, with certain adjustments set forth for each school year. See "APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF NEW YORK EDUCATION LAW – Financing of Charter Schools" for a detailed description of the Charter School Basic Tuition for each school year. The calculation for Expense Per Pupil is a function of Approved Operating Expense for the year prior to the Base Year divided by the sum, computed using year prior to the Base Year pupil counts, of: (i) "Total Aidable Pupil Units" and (ii) "Weighted Pupils With Disabilities." See "APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF NEW YORK EDUCATION LAW – Charter School Basic Tuition" in this Limited Offering Memorandum for a detailed discussion of the Charter School Basic Tuition formula and applicable definitions, including "Approved Operating Expense."

For this purpose, "Total Aidable Pupil Units" is the sum of: (i) the school district's "Adjusted Average Daily Attendance" for the year prior to the Base Year multiplied by the "Enrollment Index" for the Base Year, plus (ii) the "Additional Aidable Pupil Units" for the year prior to the Base Year.

Adjusted Average Daily Attendance. For purposes of computing Adjusted Average Daily Attendance, the average daily attendance of public school pupils in a full-day kindergarten and grades 1-12 is counted as the basic unit, with the attendance of such pupils in one-half day kindergartens counted as one-half of such basic unit. The sum of all such units of attendance is the Adjusted Average Daily Attendance. Adjusted Average Daily Attendance is calculated by: (i) determining the number of religious holidays which fall on a school day within a school year according to regulations established by the Commissioner; (ii) deducting the aggregate attendance on such religious holidays from the total aggregate attendance, by grade level; (iii) deducting such religious holidays from the total number of days of session, by grade level; and (iv) computing the adjusted average daily attendance for the school year.

Enrollment Index. Enrollment Index is computed by dividing the public school enrollment for the current year by public school enrollment for the Base Year, with the result carried to three decimal places without rounding. "Enrollment" means the unduplicated count of all children registered to receive educational services in grades K-12, including children in ungraded programs, as registered on the date prior to November 1 that is specified by the Commissioner as the enrollment reporting date. "Public School District Enrollment" means the sum of: (1) the number of children on a regular enrollment register of a public school district on such date; (2) the number of children eligible to receive home instruction in the school district on such date; (3) the number of children for whom Equivalent Attendance must be computed on such date; (4) the number of children with disabilities who are residents of such district who are registered on such date to attend certain programs under the New York Education Law; (5) the number of children eligible to receive educational services on such date but not claimed for aid; and (6) the number of children registered on such date to attend certain programs pursuant to the New York Education Law.

Additional Aidable Pupil Units. Additional Aidable Pupil Units is the sum of: (i) the attendance of summer session pupils multiplied by 12%, and (ii) the "Weighted Pupils With Special Educational Needs." Weighted Pupils With Special Educational Needs is calculated by multiplying pupils with special educational needs by 25%, with the result rounded up to the next whole number.

Weighted Pupils With Disabilities. Weighted Pupils With Disabilities is calculated as the attendance of pupils with disabilities who have been determined by a school district committee on special education to require any of the following types and levels of programs or services, and who receive such programs and services from the school district of attendance during the Base Year, multiplied by a special services weighting determined as follows:

(i) for placement for 60% or more of the school day in a special class, or home or hospital instruction for a period of more than 60 days, or special services or programs for more than 60% of the school day, the special services weighting is 170%;

(ii) for placement for 20% or more of the school week in a resource room or special services or programs including related services required for 20% or more of the school week, or in the case of pupils in grades 7–12 or a multi–level middle school program or in the case of pupils in grades 4–6 in an elementary school operating on a period basis, the equivalent of five periods per week, but not less than the equivalent of 180 minutes in a resource room or in other special services or programs including related services, or for at least two hours per week of direct or indirect consultant teacher services, the special services weighting is 90%.

The Charter School Basic Tuition is set annually in June. School districts (in the case of the School, the NYC DOE on behalf of the New York City Community School District 21) are required to pay no later than the first business day of July, September, November, January, March and May the appropriate payment amounts as specified in the New York Education Law relating to the Charter School Basic Tuition. The payments are made in equal installments, adjusted for any supplemental payments due or overpayments to be recovered for the prior school year. See "APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF NEW YORK EDUCATION LAW – Financial Obligations of Charter Schools, Public School Districts and Education Department" in this Limited Offering Memorandum.

Federal and State Aid Attributable to a Student with a Disability

In addition to the Charter School Basic Tuition, school districts are required to pay directly to charter schools any federal or state aid attributable to a student with a disability attending the charter school in proportion to the level of services for such student with a disability that the charter school provides directly or indirectly. Such amounts may be reduced pursuant to an agreement between the school and the charter entity set forth in the charter. See "APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF NEW YORK EDUCATION LAW – Financing of Charter Schools" and "– Public School District Payments to Charter Schools" in this Limited Offering Memorandum.

State aid attributable to a student with a disability attending a charter school is calculated as the sum of: (i) "Excess Cost Aid" payable to a public school district pursuant to the New York Education Law based on the resident weighted enrollment in the charter school of pupils with disabilities receiving special services or programs provided directly or indirectly by the charter school in the current school year; and (ii) any apportionment payable to such public school district pursuant to the New York Education Law that is based on the cost of special services or programs provided directly or indirectly by the charter school to such pupil in the current school year. Excess Cost Aid is calculated as the product of: (i) excess cost aid per pupil calculated pursuant to the New York Education Law; (ii) the proportion of the weighting attributable to the student's level of service provided directly or indirectly by the charter school pursuant to the New York Education Law; and (iii) the student's enrollment in such charter school in the current school year.

Federal aid attributable to a student with a disability attending a charter school, and receiving special education services or programs provided directly or indirectly by the charter school, is calculated as follows:

(i) for the first year of operation of the charter school, the allocation that would be attributable to the charter school pursuant to 20 U.S.C. 1411 and 1419 for a pupil who is identified as a student with a disability, who is included in a report to the Commissioner of pupils so identified as of December 1st of the current school year, or for such other pupil count as specified by the federal government for the current school year, provided that the enrollment of such students in the charter school during the current school year is used for this purpose until such report, or a report of such other pupil count, has been received by the Commissioner; and

(ii) for the second year of operation of the charter school and thereafter, the allocation that would be attributable to the charter school pursuant to 20 U.S.C. 1411 and 1419 for a pupil who is identified as a student with a disability, who is included in a report to the Commissioner of pupils so identified as of December 1st of the Base Year, or for such other pupil count as specified by the federal government.

Payments for federal or state aid attributable to a student with a disability to charter schools must be made by the school district in six substantially equal installments each year beginning on the first business day of July and every two months thereafter. See "APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF NEW YORK EDUCATION LAW – Financing of Charter Schools" in this Limited Offering Memorandum.

THE SERIES 2018 BONDS

Interest; Maturity; Payment

The Series 2018A Bonds will be issued in the original aggregate principal amount of $34,030,000 and the Series 2018B Bonds will be issued in the original aggregate principal amount of $1,980,000. The Series 2018 Bonds will bear interest as set forth on the inside front cover hereof. Interest on the Series 2018 Bonds will be payable semi-annually on June 15 and December 15 (each an "Interest Payment Date") of each year, commencing on December 15, 2018. Interest on the Series 2018 Bonds will be calculated on the basis of a 360-day year with twelve months of thirty days.

The Series 2018 Bonds will be issued in the form of fully registered bonds without coupons in minimum authorized denominations of $100,000 or any integral multiple of $5,000 in excess thereof, *provided, however*, that if the Series 2018 Bonds are rated investment grade by a Rating Agency, then, upon the Trustee receiving written notice of the occurrence of such event, the minimum authorized denominations shall be $5,000 or any integral multiple thereof (each an "Authorized Denomination"). The principal of, interest on, and premium, if any, on the Series 2018 Bonds will be payable when due by wire of the Trustee to The Depository Trust Company, New York, New York ("DTC"), which will in turn remit such principal, interest and premium, if any, to Participants, which Participants will in turn remit such principal, interest and premium, if any, to the Beneficial Owners of the Series 2018 Bonds as described in this Limited Offering Memorandum. See "APPENDIX J – BOOK–ENTRY ONLY SYSTEM" in this Limited Offering Memorandum.

In the event the Series 2018 Bonds are not registered in the name of Cede & Co., as nominee of DTC, or another eligible depository as described below, the principal of, Sinking Fund Installments for, and the Redemption Price of the Series 2018 Bonds will be payable by check or draft at maturity or upon earlier redemption to the persons in whose names such Series 2018 Bonds are registered on the

registration books maintained by the Trustee at the maturity or redemption date thereof, provided, however, that the payment in full of any Series 2018 Bond either at final maturity or upon redemption in whole will only be payable upon presentation and surrender of such Series 2018 Bonds at the designated corporate trust office of the Trustee, as described in the Indenture. Interest payable on each Series 2018 Bond on any Interest Payment Date will be paid by the Trustee to the registered owner of such Series 2018 Bond as shown on the bond registration books of the Trustee at the close of business on the Record Date for such interest, by check or draft mailed to such registered owner at his address as it appears on the bond registration books, or at the written request by any registered owner of Series 2018 Bonds in the aggregate principal amount of at least $1,000,000, by electronic transfer, as described in the Indenture.

Interest on any Series 2018 Bond that is due and payable but not paid on the date due ("Defaulted Interest") shall cease to be payable to the owner of such Series 2018 Bond on the relevant Record Date and shall be payable to the owner in whose name such Series 2018 Bond is registered at the close of business on a special record date (the "Special Record Date") for the payment of such Defaulted Interest, which Special Record Date shall be fixed as provided in the Indenture.

Draw Down Bonds

The Series 2018A Bonds are being designated as "draw-down loans" under Section 1.150-1(c)(4)(i) of the Treasury Regulations issued under the Code. The full purchase price of such Series 2018A Bonds will not be funded on the Closing Date. On the Closing Date, the Underwriter shall pay the Initial Advance (less any allocable portion of the original issue discount) to the Trustee in the aggregate principal amount of $17,790,00.00 with respect to the Series 2018A Bonds. Thereafter, the Institution may, subject to the provisions and limitations in the Agreement to Advance, by and among the Institution, the Bondholder Representative, the initial purchasers of the Series 2018A Bonds (the "Initial Beneficial Owners"), the Trustee and the Underwriter, dated as of September 6, 2018 (the "Agreement to Advance"), submit requests for disbursements to the Bondholder Representative for Bond Proceeds Advances. The Initial Beneficial Owners agree, so long as no default or Event of Default shall have occurred under the Indenture and the Covenant Agreement and be continuing, to make advances of the Series 2018A Bond proceeds, which advances shall be deposited in the Project Account of the Project Fund, the Capitalized Interest Account of the Project Fund and the Debt Service Reserve Fund in accordance with the provisions of the Agreement to Advance and the Indenture. The Initial Beneficial Owners are only required to advance the Authorized Principal Amount ($34,030,000.00) of the Series 2018A Bonds. On the earlier to occur of (i) the date on which the sum of the Initial Advance plus all Bond Proceeds Advances made under the Agreement to Advance equals the Authorized Principal Amount of the Series 2018A Bonds (taking into account original issue discount) or (ii) July 15, 2020 (the "Termination Date"), the Initial Beneficial Owners will not be obligated to make any additional Bond Proceeds Advances if the Initial Beneficial Owners have not already advanced the entire Authorized Principal Amount of the Series 2018A Bonds (taking into account original issue discount). On the Termination Date, so long as there is no Default or Event of Default under the Indenture or the Covenant Agreement, the Initial Beneficial Owners will deposit the difference between the Authorized Principal Amount of the Series 2018A Bonds (taking into account original issue discount), and the total Bond Proceeds Advances (including the Initial Advance) as of the Termination Date with the Trustee for deposit to the Project Account of the Project Fund, the Capitalized Interest Account of the Project Fund and the Debt Service Reserve Fund (subject to the limitations referenced above with respect to the maximum amounts to be deposited in certain funds and accounts established under the Indenture) to be disbursed in accordance with the Project Documents.

The aggregate principal amount of the Series 2018A Bonds that may be issued under the Indenture shall not exceed the maximum aggregate principal amount of the Series 2018A Bonds of $34,030,000. Notwithstanding the foregoing, the principal amount due on the Series 2018A Bonds shall be only such amount as has been drawn down by the Institution. Interest shall accrue only on such

principal amount of the Series 2018A Bonds as has been drawn by the Issuer (at the direction of the Institution) and not theretofore redeemed. Interest on the Series 2018A Bonds shall be payable and commonly secured without preference or priority of one Series 2018A Bond over another, payable on each Interest Payment Date for such Series 2018A Bond.

The Institution shall request an additional draw of the proceeds of the Series 2018A Bonds in writing at least ten (10) Business Days prior to the requested Draw-Down Date. The Institution shall deliver such request to the Issuer, the Trustee and the Bondholder Representative, which request shall include: (i) the requested Draw-Down Date, (ii) the amount of the requested loan; (iii) a copy of the related requisition and supporting materials required for the disbursement of funds from the Project Fund in accordance with the Indenture; and (iv) any other information reasonably required by the Bondholder Representative. Upon receipt of such request, the Trustee shall notify the Bondholder Representative of the amount of such request, the amount of the purchase price to be paid by the Bondholder Representative and the Draw-Down Date.

The Initial Beneficial Owners shall, if the requirements set forth in the Indenture and the Construction Disbursement and Monitoring Agreement dated as of September __, 2018 among the Institution, Cumming Construction Management, Inc., as construction monitor, and the Bondholder Representative, have been satisfied, be required to fund each request up to the maximum aggregate principal amounts of the Series 2018A Bonds. The Institution shall not request an additional loan of the proceeds of the Series 2018A Bonds in an amount less than $1,000,000 or more than one time per month. The Institution shall not request and the Initial Beneficial Owners shall not fund an additional loan of the proceeds of the Series 2018A Bonds after July 15, 2020; *provided, however*, if the maximum principal amount of the Series 2018A Bonds has not been loaned prior to such date, then all remaining proceeds of the Series 2018A Bonds shall be loaned on such date in accordance with, and subject to, the provisions of the Agreement to Advance.

The Institution anticipates that the draws of the proceeds of the Series 2018A Bonds will be made in the following estimated amounts pursuant to the following estimated schedule:

Draw Date Date	**Principal Draw Amount**
September, 2018	$17,790,000
February, 2019	4,800,000
July, 2019	4,100,000
September, 2019	7,340,000

Redemption of Series 2018 Bonds

General Optional Redemption. The Series 2018A Bonds are subject to optional redemption, on or after August 15, 2028, in whole or in part at any time (but if in part in Authorized Denominations) at the option of the Issuer (which option shall be exercised only upon the giving of notice by the Institution of its intention to prepay Loan Payments due under the Loan Agreement), at the Redemption Price of 100% of the unpaid principal amount of the Series 2018A Bonds to be redeemed, plus accrued interest to the date of redemption.

The Series 2018B Bonds are not subject to optional redemption prior to maturity.

Mandatory Sinking Fund Installment Redemption. The Series 2018A Bonds are subject to mandatory sinking fund redemption by the Issuer prior to maturity, in part by lot, at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof, together with accrued interest to the

date of redemption, from mandatory Sinking Fund Installments on the dates and in the principal amounts set forth below, provided that the amounts of such Sinking Fund Installments shall be reduced by the credits provided for in the Indenture.

Series 2018A Term Bond Maturing June 15, 2052

Redemption Date (June 15)	Principal Amount	Redemption Date (June 15)	Principal Amount
2027	$ 550,000	2040	$1,230,000
2028	620,000	2041	1,305,000
2029	660,000	2042	1,380,000
2030	695,000	2043	1,460,000
2031	735,000	2044	1,550,000
2032	780,000	2045	1,640,000
2033	825,000	2046	1,735,000
2034	875,000	2047	1,840,000
2035	925,000	2048	1,945,000
2036	980,000	2049	2,060,000
2037	1,040,000	2050	2,180,000
2038	1,100,000	2051	2,310,000
2039	1,165,000	2052[+]	2,445,000

[+]*Stated Maturity.*

The Series 2018B Bonds are subject to mandatory sinking fund redemption by the Issuer prior to maturity, in part by lot, at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof, together with accrued interest to the date of redemption, from mandatory Sinking Fund Installments on the dates and in the principal amounts set forth below, provided that the amounts of such Sinking Fund Installments shall be reduced by the credits provided for in the Indenture.

Series 2018B Term Bond Maturing June 15, 2027

Redemption Date (June 15)	Principal Amount
2023	$ 435,000
2024	465,000
2025	505,000
2026	540,000
2027[+]	35,000

[+]*Stated Maturity.*

Extraordinary Redemption. The Series 2018 Bonds are subject to redemption prior to maturity, at the option of the Issuer exercised at the direction of the Institution (which option shall be exercised only upon the giving of notice by the Institution of its intention to prepay Loan Payments due under the Loan Agreement), as a whole on any date, upon notice or waiver of notice as provided in the Indenture, at a Redemption Price of one hundred percent (100%) of the unpaid principal amount thereof plus accrued interest to the date of redemption, if one or more of the following events shall have occurred:

(i) The Facility shall have been damaged or destroyed to such extent that, as evidenced by a certificate of an Independent Engineer filed with the Issuer and the Trustee,

(A) the Facility cannot be reasonably restored within a period of one year from the date of such damage or destruction to the condition thereof immediately preceding such damage or destruction, (B) the Institution is thereby prevented or likely to be prevented from carrying on its normal operation at the Facility for a period of one year from the date of such damage or destruction, or (C) the restoration cost of the Facility would exceed the total amount of all insurance proceeds, including any deductible amount, in respect of such damage or destruction; or

(ii) Title to, or the temporary use of, all or substantially all of the Facility shall have been taken or condemned by a competent authority which taking or condemnation results, or is likely to result, in the Institution being thereby prevented or likely to be prevented from carrying on its normal operation at the Facility for a period of one year from the date of such taking or condemnation, as evidenced by a certificate of an Independent Engineer filed with the Issuer and the Trustee; or

(iii) As a result of changes in the Constitution of the United States of America or of the State or of legislative or executive action of the State or any political subdivision thereof or of the United States of America or by final decree or judgment of any court after the contest thereof by the Institution, the Loan Agreement becomes void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed therein or unreasonable burdens or excessive liabilities are imposed upon the Institution by reason of the operation of the Facility.

If the Series 2018 Bonds are to be redeemed in whole as a result of the occurrence of any of the events described above, the Institution shall deliver to the Issuer and the Trustee a certificate of an Authorized Representative of the Institution stating that, as a result of the occurrence of the event giving rise to such redemption, the Institution has discontinued, or at the earliest practicable date will discontinue, its operation of the Facility for its intended purposes.

Mandatory Redemption from Certain Other Amounts. The Series 2018 Bonds shall be redeemed at any time in whole or in part by lot prior to maturity in the event and to the extent: (i) excess Series 2018 Bond proceeds shall remain after the completion of the Project (excess Series 2018A Bond proceeds shall only be used to redeem Series 2018A Bonds and excess Series 2018B Bond proceeds shall only be used to redeem Series 2018B Bonds), (ii) excess title insurance or property insurance proceeds or condemnation awards remain after the application thereof pursuant to the Loan Agreement and the Indenture, or (iii) excess proceeds shall remain after the release or substitution of property with respect to the Facility, in each case at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Series 2018 Bonds to be redeemed, together with interest accrued thereon to the date of redemption.

Mandatory Redemption upon Failure to Operate the Facility for the Approved Project Operations, Material Violation of Material Legal Requirements, False Representation or Failure to Maintain Liability Insurance. The Series 2018 Bonds are subject to mandatory redemption prior to maturity, at the option of the Issuer, as a whole only, in the event (i) the Issuer shall determine that (w) the Institution is operating the Facility or any portion thereof, or is allowing the Facility or any portion thereof to be operated, not for the Approved Project Operations, (x) the Institution, any Principal of the Institution or any Person that directly or indirectly Controls, is Controlled by or is under common Control with the Institution has committed a material violation of a material Legal Requirement, (y) any Conduct Representation is false, misleading or incorrect in any material respect at any date, as if made on such date, or (z) a Required Disclosure Statement delivered to the Issuer under any Project Document is not acceptable to the Issuer acting in its sole discretion, or (ii) the Institution shall fail to obtain or maintain

the liability insurance with respect to the Facility required under the Loan Agreement, and, in the case of clause (i) or (ii) above, the Institution shall fail to cure any such default or failure within the applicable time periods set forth in the Loan Agreement following the receipt by the Institution of written notice of such default or failure from the Issuer and a demand by the Issuer on the Institution to cure the same. Any such redemption shall be made upon notice or waiver of notice to the Bondholders as provided in the Indenture, at the Redemption Price of one hundred percent (100%) of the unpaid principal amount of the Series 2018 Bonds, together with interest accrued thereon to the date of redemption. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS – General" and "APPENDIX E – FORM OF LOAN AGREEMENT" in this Limited Offering Memorandum.

Mandatory Taxability Redemption. Upon the occurrence of a Determination of Taxability, the Series 2018 Bonds shall be redeemed prior to maturity on any date within forty-five (45) days following such Determination of Taxability, at a Redemption Price equal to one hundred and five percent (105%) of the principal amount thereof, together with accrued interest to the date of redemption. The Series 2018 Bonds shall be redeemed in whole.

Purchase in Lieu of Optional Redemption. In lieu of calling the Series 2018A Bonds for optional redemption, the Series 2018A Bonds shall be subject to mandatory tender for purchase at the direction of the Issuer, upon the direction of the Institution, in whole or in part (and, if in part, in such manner as determined by the Institution) on any date on or after August 15, 2028, at a Purchase Price equal to the applicable Redemption Price for any optional redemption of such Series 2018A Bonds as provided in the Indenture, plus accrued interest to the purchase date. Purchases of tendered Series 2018A Bonds may be made without regard to any provision of the Indenture relating to the selection of Series 2018A Bonds in a partial optional redemption. The Series 2018A Bonds purchased pursuant to any mandatory tender(s) are not required to be cancelled, and if not so cancelled (subject to the Loan Agreement), shall, prior to any resale by or on behalf of the Institution, not be deemed Outstanding in connection with any subsequent partial optional redemption solely for purposes of those provisions of the Indenture relating to the selection of the Series 2018A Bonds in a partial redemption. Bonds owned by the Institution shall not be entitled to any voting rights under the Indenture.

Purchases in lieu of an optional redemption shall be permitted, with the consent of the Issuer, upon the delivery to the Issuer and the Trustee of (i) an opinion of Nationally Recognized Bond Counsel addressed to the Issuer and the Trustee substantially to the effect that (A) such purchases in lieu of optional redemption comply with the provisions of the Indenture and (B) neither such purchases in lieu of an optional redemption nor any transaction directly related thereto will adversely affect the exclusion from gross income of interest on the Series 2018A Bonds for purposes of federal income taxation, and (ii) such other opinions, certificates or documentation as the Issuer may require.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2018 BONDS, ALL PAYMENTS OF PRINCIPAL OR REDEMPTION PRICE OF, SINKING FUND INSTALLMENTS FOR, AND INTEREST ON THE SERIES 2018 BONDS WILL BE MADE DIRECTLY TO DTC. DISBURSEMENT OF SUCH PAYMENTS TO DIRECT PARTICIPANTS WILL BE THE RESPONSIBILITY OF DTC, AND DISBURSEMENT OF SUCH PAYMENTS TO BENEFICIAL OWNERS WILL BE THE RESPONSIBILITY OF THE DIRECT PARTICIPANTS AND INDIRECT PARTICIPANTS. SEE "APPENDIX J – BOOK-ENTRY ONLY SYSTEM" IN THIS LIMITED OFFERING MEMORANDUM.

Notice of Redemption. When redemption of any Series 2018 Bonds is requested or required pursuant to the Indenture, notice of redemption of any Series 2018 Bonds will be given by the Trustee in the name of the Issuer. Notice of any redemption of Series 2018 Bonds will be (i) mailed by first class mail postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date

to the respective holders thereof at the last addresses appearing on the registration books, but any defect in such notice shall not affect the validity of the proceedings for the redemption of such Series of Series 2018 Bonds with respect to which proper mailing was effected, and (ii) sent to the national information service that disseminates redemption notices. Each notice of redemption will contain all of the following information: (a) the name of the Series 2018 Bonds, (b) CUSIP number, (c) Bond numbers, (d) the date of original issue of the Series 2018 Bonds, (e) the date of mailing of the notice of redemption, (f) maturities, interest rates and principal amounts of the Series 2018 Bonds or portions thereof to be redeemed, (g) the redemption date, (h) the Redemption Price, (i) the place or places where amounts due upon such redemption will be payable (including the name, address and telephone number of a contact person at the Trustee), (j) the principal amounts of the Series 2018 Bonds or portions thereof to be payable, (k) if less than all of the Series 2018 Bonds of any maturity are to be redeemed, the numbers of such Series 2018 Bonds or portions thereof to be so redeemed, and (l) that on such date there shall become due and payable upon each Series 2018 Bond or portion thereof to be redeemed the Redemption Price thereof together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable.

Effect of Notice. Any notice mailed as provided in the Indenture shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. If any Series 2018 Bond shall not be presented for payment of the Redemption Price within sixty (60) days of the redemption date, the Trustee shall mail a second notice of redemption to such Holder by first class mail, postage prepaid. Any amounts held by the Trustee due to non-presentment of Series 2018 Bonds for payments on or after any redemption date shall be retained by the Trustee for a period of at least one year after the final maturity date of such Series 2018 Bonds.

If notice of redemption shall have been given in the manner provided in the Indenture and as described above, the Series 2018 Bonds called for redemption shall become due and payable on the redemption date, provided, however, that with respect to any optional redemption of the Series 2018 Bonds, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, redemption premium, if any, and interest on the Series 2018 Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Issuer shall not be required to redeem the Series 2018 Bonds. In the event that such notice of optional redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. If a notice of optional redemption shall be unconditional, or if the conditions of a conditional notice of optional redemption shall have been satisfied, then upon presentation and surrender of the Series 2018 Bonds so called for redemption at the place or places of payment, such Series 2018 Bonds shall be redeemed.

So long as DTC is effecting book entry transfers of the Series 2018 Bonds, the Trustee shall provide the notices specified above only to DTC. It is expected that DTC shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of DTC or a Participant, or failure on the part of a nominee of a Beneficial Owner of a Series 2018 Bond (having been mailed notice from the Trustee, DTC, a Participant or otherwise) to notify the Beneficial Owner of the Series 2018 Bond so affected, shall not affect the validity of the redemption of such Series 2018 Bond.

Payment of Redeemed Series 2018 Bonds. Notice having been given in the manner provided in the Indenture and as described above, the Series 2018 Bonds or portions thereof so called for redemption shall become due and payable on the redemption dates so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date. If, on the redemption date, moneys for the

redemption of all the Series 2018 Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be held by the Paying Agent so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date, (i) interest on the Series 2018 Bonds or portions thereof so called for redemption shall cease to accrue and become payable, (ii) the Series 2018 Bonds or portions thereof so called for redemption shall cease to be entitled to any lien, benefit or security under the Indenture, and (iii) the Holders of the Series 2018 Bonds or portions thereof so called for redemption shall have no rights in respect thereof, except to receive payment of the Redemption Price together with interest accrued to the redemption date. If said moneys shall not be so available on the redemption date, such Series 2018 Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

Selection of Series 2018 Bonds for Redemption. In the event of redemption of less than all the Outstanding Series 2018 Bonds of the same Series and maturity, the particular Series 2018 Bonds or portions thereof to be redeemed shall be selected by the Trustee in such manner as the Trustee in its discretion may deem fair, except that (i) the Series 2018 Bonds to be redeemed from Sinking Fund Installments shall be redeemed by lot, and (ii) to the extent practicable, the Trustee shall select the Series 2018 Bonds for redemption such that no Series 2018 Bond shall be of a denomination of less than the Authorized Denomination for such Series 2018 Bonds. In the event of redemption of less than all the Outstanding Series 2018 Bonds of the same Series stated to mature on different dates, the principal amount of such Bonds to be redeemed shall be applied in inverse order of maturity of the Outstanding Series 2018 Bonds to be redeemed and by lot within a maturity. The portion of the Series 2018 Bonds to be redeemed in part shall be in the principal amount of the minimum Authorized Denomination thereof or some integral multiple thereof and, in selecting Series 2018 Bonds for redemption, the Trustee shall treat each such Series 2018 Bond as representing that number of Series 2018 Bonds which is obtained by dividing the principal amount of such registered Series 2018 Bond by the minimum Authorized Denomination thereof (referred to below as a "unit") then issuable rounded down to the integral multiple of such minimum Authorized Denomination. If it is determined that one or more, but not all, of the units of principal amount represented by any such Series 2018 Bond is to be called for redemption, then, upon notice of intention to redeem such unit or units, the Holder of such Series 2018 Bond shall forthwith surrender such Series 2018 Bond to the Trustee for (a) payment to such Holder of the Redemption Price of the unit or units of principal amount called for redemption and (b) delivery to such Holder of a new Series 2018 Bond or Series 2018 Bonds in the aggregate unpaid principal amount of the unredeemed balance of the principal amount of such Series 2018 Bond. New Series 2018 Bonds of the same maturity representing the unredeemed balance of the principal amount of such Series 2018 Bond shall be issued to the registered Holder thereof, without charge therefor. If the Holder of any such Series 2018 Bond of a denomination greater than a unit shall fail to present such Series 2018 Bond to the Trustee for payment and exchange as aforesaid, such Series 2018 Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption (and to that extent only).

Purchase and Transfer Restrictions on Series 2018 Bonds

THE SERIES 2018 BONDS ARE BEING OFFERED ONLY TO, AND MAY BE TRANSFERRED ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT")) OR "ACCREDITED INVESTORS" (AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT). SEE "TRANSFER RESTRICTIONS" IN THIS LIMITED OFFERING MEMORANDUM.

Each Series 2018 Bond will be transferable only upon compliance with the restrictions on transfer set forth on such Series 2018 Bond and only upon the books of the Issuer, which will be kept for that purpose at the designated corporate trust office of the Trustee, by the registered owner thereof in person or by his duly authorized attorney-in-fact, upon surrender of such Series 2018 Bond together with a written instrument of transfer in the form appearing on such Series 2018 Bond duly executed by the registered owner or his duly authorized attorney-in-fact with a guarantee of the signature thereon. Upon the transfer of any Series 2018 Bond, the Trustee will prepare and issue in the name of the transferee one or more new Series 2018 Bonds of the same aggregate principal amount, maturity and interest rate as the surrendered Series 2018 Bond.

Each Holder and Beneficial Owner of a Series 2018 Bond, by the purchase and acceptance of such Series 2018 Bond, is deemed to have represented and agreed as follows: (i) it is either a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act) or an "accredited investor" (as defined in Regulation D under the Securities Act), and it has acquired such Series 2018 Bond for its own account or for the account of a qualified institutional buyer or an accredited investor, and (ii) it understands and acknowledges that such Series 2018 Bond has not been registered under the Securities Act, and that, if in the future it decides to offer, resell, pledge or otherwise transfer such Series 2018 Bond, such Series 2018 Bond may be offered, resold, pledged or transferred only in accordance with the transfer restrictions set forth in the Indenture and only to a Person meeting the requirements set forth in the preceding clause (i); *provided, however*, that if the Series 2018 Bonds are rated investment grade by a Rating Agency then, upon the Trustee receiving written notice of the occurrence of such event, this requirement shall no longer apply to the Series 2018 Bonds.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS

Special Limited Revenue Obligations

THE SERIES 2018 BONDS ARE SPECIAL LIMITED REVENUE OBLIGATIONS OF THE ISSUER, PAYABLE AS TO PRINCIPAL, REDEMPTION PRICE AND INTEREST, SOLELY FROM THE TRUST ESTATE AND CERTAIN FUNDS AND ACCOUNTS ESTABLISHED UNDER THE INDENTURE. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE SERIES 2018 BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY, IS PLEDGED TO SUCH PAYMENT OF THE SERIES 2018 BONDS. THE SERIES 2018 BONDS WILL NOT BE PAYABLE OUT OF ANY FUNDS OF THE ISSUER OTHER THAN THOSE PLEDGED THEREFOR PURSUANT TO THE INDENTURE. THE SERIES 2018 BONDS WILL NOT GIVE RISE TO A PECUNIARY LIABILITY OR CHARGE AGAINST THE CREDIT OR TAXING POWERS OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY. NO RECOURSE WILL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE SERIES 2018 BONDS AGAINST ANY MEMBER, OFFICER, DIRECTOR, EMPLOYEE OR AGENT OF THE ISSUER. THE ISSUER HAS NO TAXING POWER.

General

Under the Loan Agreement, the Issuer agrees to issue the Series 2018 Bonds and to lend the proceeds thereof to the Institution to finance the Project, and the Institution is obligated unconditionally to repay the loan in amounts sufficient, together with available funds held under the Indenture, to provide for the timely payment of the principal of, premium, if any, and interest on the Series 2018 Bonds when due

(whether by maturity, mandatory sinking fund redemption or acceleration) and to perform the obligations set forth therein. The obligation of the Institution to make Loan Payments under the Loan Agreement sufficient to pay the Series 2018 Bonds is an absolute and unconditional obligation of the Institution; provided, however, that the ability of the Institution to generate additional revenues is limited in the event payments of Rent by the School are insufficient for the Institution to make Loan Payments. Under the Loan Agreement, "Loan Payment Dates" are the fifth (5th) day of each January, March, May, August, September, and November. See "APPENDIX E – FORM OF LOAN AGREEMENT" in this Limited Offering Memorandum.

The Loan Agreement also provides that if the Institution fails to make any payment or to perform or to observe any obligation required of it under the Loan Agreement (including failing to obtain or maintain liability insurance), under the Promissory Note or under any other Security Document, the Issuer, the Trustee or the Bondholder Representative, may (but are not be obligated to) make such payment or otherwise cure any failure by the Institution to perform and to observe its other obligations under the Loan Agreement, the Promissory Note or any other Security Document. See "APPENDIX E – FORM OF LOAN AGREEMENT" in this Limited Offering Memorandum.

Pursuant to the terms of the Mortgage, the Institution will grant to the Issuer a mortgage lien on and security interest in the Facility, subject to Permitted Encumbrances. The liens and security interests created by the Indenture and the Mortgage are for the equal and ratable benefit of the Series 2018 Bonds. The Loan Agreement, the Covenant Agreement and the Mortgage contain the general liability insurance and property insurance requirements for the Institution and the Covenant Agreement contains insurance requirements for the School. See "RISK FACTORS" in this Limited Offering Memorandum for a discussion of certain limitations on the enforceability of the security for the Series 2018 Bonds.

Lease

Payments of Rent due from the School to the Institution under the Lease will be in amounts anticipated to be sufficient to make Loan Payments (including amounts required to pay debt service on the Series 2018 Bonds and any other required payments of fees or other ancillary or related payments) under the Loan Agreement. The first payment of Rent will be due on August 1, 2020 or such later date that the School obtains occupancy, but in no event later than July 1, 2021, and thereafter Rent will be payable on the first day (or if such day is not a business day, on the next succeeding business day) of each August, September, November, January, March and May. The terms of the Lease require that the School pay all amounts of Rent directly to the Institution's bank account that is subject to the terms of the Account Control Agreement. Pursuant to the Assignment of Lease, the Institution will assign its interest in the Lease to the Trustee as additional security for the Series 2018 Bonds. See "APPENDIX G — FORM OF LEASE" in this Limited Offering Memorandum.

Pledge and Security Agreement

Pursuant to the Pledge and Security Agreement, dated as of September 1, 2018 (the "Pledge and Security Agreement"), between the Institution and the Trustee, the Institution will pledge to the Trustee a security interest in the "Pledged Collateral," which consist of all accounts, bank accounts, deposit accounts, security accounts, investment property, payment intangibles, general intangibles, monies, receipts, earnings (inclusive of any investment income), revenues, rentals, income, insurance proceeds, fees, gifts, donations, contributions, charges and other moneys received or receivable by or on behalf of the Institution (subject to certain exclusions as provided in the Pledge and Security Agreement).

Special Covenants of the Institution and the School; Additional Indebtedness

As used in the Covenant Agreement and herein:

(A) "Bondholder Representative" means the entity designated as the initial Bondholder Representative under the Indenture, or any successor (if any) designated as the Bondholder Representative in accordance with the Indenture. The Indenture provides that under certain circumstances, if there is no Bondholder Representative, direction or consent to be provided by the Bondholder Representative shall be provided by the Holders of a majority or other specified amount in aggregate principal amount of the Bonds Outstanding.

(B) "Cash on Hand" means the sum of cash, cash equivalents, liquid investments and unrestricted marketable securities (valued at the lower of cost or market value) of the School and the Institution; provided that, Cash on Hand does not include amounts held by the Trustee.

(C) "Days' Cash on Hand" means (i) with respect to each June 30, beginning June 30, 2021: (a) Cash on Hand of the School and the Institution, as shown on the financial statements for each Fiscal Year for such June 30 divided by (b) the quotient of Operating Expenses, as shown on the financial statements of the Institution and the School for such Fiscal Year, divided by 365; and (ii) with respect to each December 31, beginning December 31, 2021: (a) Cash on Hand of the School and the Institution as shown on the interim unaudited financial statements for the period ending December 31 divided by (b) the quotient of Operating Expenses of the Institution and the School, as shown on such interim unaudited financial statements for such previous twelve-month period, divided by 365. With respect to both clause (i) and (ii), "Cash on Hand of the School and the Institution" in clause (a) shall be determined by adding together the applicable amounts shown in the line items on the applicable financial statements of each the School and the Institution, and "Operating Expenses of the Institutions" in clause (b) shall be determined by adding together the applicable amounts shown in the line items on the applicable financial statements of each of the School and the Institution.

(D) "Debt Service Coverage Ratio" means for any period of time, the ratio determined by dividing the Income Available for Debt Service by Maximum Annual Debt Service.

(E) "Debt Service Coverage Ratio Requirement" means (i) as of June 30, 2021, a Debt Service Coverage Ratio of at least 1.10:1 and (ii) after June 30, 2021, a Debt Service Coverage Ratio of at least 1.20:1.

(F) "Income Available for Debt Service" means, as to any period of twelve (12) consecutive calendar months, without duplication, the excess of revenues over expenses (excluding contributions to the Repair and Replacement Fund and any deposits to the Debt Service Reserve Fund (with the exclusion of the initial deposits) during such twelve (12) month period) before depreciation, amortization and interest expense on long term indebtedness (greater than one year), as determined in accordance with generally accepted accounting principles consistently applied.

(G) "Operating Expenses" means the sum of all fees and expenses of the Institution and the School, without duplication, including maintenance, repair expenses, utility expenses, administrative and legal expenses, miscellaneous operating expenses, advertising costs, payroll expenses (including taxes), the cost of the material and supplies used for current operations of the Institution and the School, the cost of vehicles, equipment leases and service contracts, payment of management fees, taxes upon the operations of the Institution and the School not otherwise mentioned in the Covenant Agreement, charges for the accumulation of appropriate reserves for current expenses not annually recurrent, but which are such as may reasonably be expected to be incurred in accordance with generally accepted accounting principles consistently applied, all in such amounts as reasonably determined by the Institution and the School; *provided however*, "Operating Expenses" shall not include (i) depreciation and amortization, or other expenses up to 10% of annual expenses which are actually paid from any revenues of the Institution

and the School which are not Revenues, (ii) solely when calculating the Debt Service Coverage Ratio, interest paid on Indebtedness and Additional Indebtedness, and (iii) replenishments of the Debt Service Reserve Fund; and *provided, further,* solely when calculating the Debt Service Coverage Ratio, "Operating Expenses" shall include the Management Fee (as defined in the Covenant Agreement).

(H) "Permitted Recommendations" are all recommendations of the Consultant (defined below) other than any recommendations which violate the Charter of the School, State or local law or the Charter Agreement of the School, as evidenced by an opinion of counsel or are otherwise not approved by the Authorizer.

(I) "Revenues" shall mean all accounts (banking, investment), investment property, payment intangibles, general intangibles, monies, receipts, earnings (inclusive of any investment income), revenues, rentals, income, insurance proceeds, fees, gifts, donations, contributions, charges and other moneys received or receivable by or on behalf of the Institution and the School, including, but without limiting the generality of the foregoing, (i) fees and charges of the Institution and the School including tuition, fees or charges derived from the ownership or operation of the Facility, and all rights to receive any of the above, whether in the form of accounts, payment intangibles, contract rights, general intangibles or other rights, and the proceeds of such rights, whether now owned or held or hereafter coming into existence; and (ii) gifts, grants, bequests, donations and contributions heretofore or hereafter made to the Institution and the School; provided, however, that, there shall be expressly excluded from "Revenues" (w) any account that (i) provides security to a government agency or other body created or approved by law or regulation as a condition to the transaction of any business or the exercise of any privilege or license, (ii) is required to enable the Institution and the School to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with workers' compensation, unemployment insurance, pension or profit sharing plans or other benefits program (including any accounts with respect to benefits plans related to employees covered by collective bargaining agreements), and (y) Restricted Revenues (as defined in the Pledge and Security Agreement). Notwithstanding the foregoing, "Revenues" shall include all income, distributions, dividends, earnings and revenues derived from Restricted Revenues (unless otherwise prohibited by the terms thereof).

Covenants of the Institution and the School.

Days' Cash on Hand Requirement. In the Covenant Agreement, the Institution and the School covenant that on each June 30 and December 31, beginning June 30, 2021 (each a "Testing Date") the Institution and the School will have no less than the number of Days' Cash on Hand specified below (the "Days' Cash on Hand Requirement"):

(a) No less than 25 Days' Cash on Hand as of June 30, 2021 and December 31, 2021;
(b) No less than 30 Days' Cash on Hand as of June 30, 2022 and December 31, 2022; and
(c) No less than 40 Days' Cash on Hand as of June 30, 2023 and on each Testing Date thereafter.

In addition, neither the School nor the Institution may transfer any assets unless they have at least 60 Days' Cash on Hand at the time of such transfer (other than Permitted Dispositions (as defined in the Covenant Agreement) and other than cash and other marketable securities). Neither the School nor the Institution will be permitted to make any loans to anyone without the consent of the Bondholder Representative.

Consultant Required at Direction of Bondholder Representative. If the Institution and the School fail to meet the Days' Cash on Hand Requirement as of any two (2) consecutive Testing Dates, as provided above under "*Days' Cash on Hand Requirement,*" the Institution and the School shall

immediately retain an independent consultant with substantial experience and recognized expertise in the operation and management of charter schools in the State, which shall be chosen and appointed by the School and the Institution from a pool of at least three consultants provided and approved by the Bondholder Representative (the "Consultant"), to submit a written report and make recommendations with respect to the lease payments, rates, fees and other charges of the Institution and the School and the Institution's and the School's methods of operation and other factors affecting their financial condition in order to increase the Days' Cash on Hand to the Days' Cash on Hand Requirement for future periods, which report shall set forth time periods for implementation of such recommendations and shall state the extent to which prior recommendations (if any) of the Consultant may not have been complied with by the Institution and/or the School. A copy of such report shall be sent by the Institution and the School to the Bondholder Representative as soon as practicable but in no event later than sixty (60) days after the date such Consultant is retained. Unless otherwise agreed to in writing by the Bondholder Representative, the Institution and the School shall adopt all Permitted Recommendations of the Consultant within thirty (30) days (or within such other time period for adoption set forth in such report) after receipt thereof by the Institution and the School and shall follow each adopted Permitted Recommendation of the Consultant. At least quarterly, following the submission of its initial report, the Consultant shall submit to the Bondholder Representative progress report(s) indicating whether or not the recommendations contained in its initial report (including applicable time periods for implementation set forth therein) are being complied with. If the Institution and the School continuously comply with the recommendations of the Consultant, failure to comply with the Days' Cash on Hand Requirement for any Testing Date will not constitute an event of default under the Covenant Agreement. Failure by the Institution and/or the School to adopt such Permitted Recommendations within sixty (60) days after receipt thereof (or within such other time period for adoption set forth in the applicable report of the Consultant) and failure of the Institution and/or the School to carry out all Permitted Recommendations within the applicable period of time for implementation set forth in the applicable report of the Consultant shall constitute an event of default under the Covenant Agreement).

Debt Service Coverage Ratio. The Institution and the School covenant in the Covenant Agreement to comply with the Debt Service Coverage Ratio Requirement as of each June 30 commencing June 30, 2021 (each, a "Ratio Evaluation Date"). If, on any Ratio Evaluation Date, the Institution and the School fail to meet the Debt Service Coverage Ratio Requirement applicable to such Ratio Evaluation Date, the Institution and the School shall immediately retain a Consultant (unless otherwise agreed to in writing by Bondholder Representative) to submit a written report and make recommendations with respect to the lease payments, rates, fees, and other charges relating to the Project and with respect to improvements or changes in the operations and scope of the services delivered by the Institution and the School so as to permit the Institution and the School to comply with the Debt Service Coverage Ratio Requirement. The report shall set forth time periods for implementation of such recommendations and shall state the extent to which prior recommendations (if any) of the Consultant may not have been complied with by the Institution and/or the School. A copy of the report shall be sent by the Institution and the School to Bondholder Representative as soon as practicable but in no event later than sixty (60) days after the applicable Ratio Evaluation Date. Unless otherwise agreed to in writing by the Bondholder Representative, the Institution and the School shall adopt all Permitted Recommendations of the Consultant within thirty (30) days (or within such other time period for adoption set forth in such report after receipt thereof by the Institution and the School and shall follow each adopted Permitted Recommendation of the Consultant. At least quarterly, following the submission of its initial report, the Consultant shall submit to Bondholder Representative progress report(s) indicating whether or not the recommendations contained in its initial report (including applicable time periods for implementation set forth therein) are being complied with. If the Institution and the School adopt and continuously comply with such Permitted Recommendations of the Consultant, failure to comply with the Debt Service Coverage Ratio Requirement for any Ratio Evaluation Date will not constitute an event of default under the Covenant Agreement, except as provided in the following paragraph. Failure by the Institution and/or

the School to adopt such Permitted Recommendations within sixty (60) days after receipt thereof (or within such other time period for adoption set forth in the applicable report of the Consultant) and failure of the Institution and/or the School to carry out all Permitted Recommendations within the applicable period of time for implementation set forth in the applicable report of the Consultant shall constitute an event of default under the Covenant Agreement).

After June 30, 2021, it shall constitute an event of default under the Covenant Agreement if the Debt Service Coverage Ratio falls below 1.00 as of any Ratio Evaluation Date.

Additional Indebtedness of the Institution and the School. The Covenant Agreement provides that, unless the Bondholder Representative consents in writing, the Institution and/or the School shall not incur any Indebtedness except as follows:

(a) *Additional Bonds.* The Institution and/or the School may incur additional Indebtedness in the form of the issuance by the Issuer of Additional Bonds to complete the Project or incur other additional indebtedness from time to time pursuant to the terms and conditions of the Indenture with the prior written consent of the Bondholder Representative which consent will not be unreasonably withheld; *provided, however*, if there is no Bondholder Representative, upon satisfaction of the following conditions: (i) with the prior written consent of the Holders of at least a majority of the aggregate principal amount of the Series 2018 Bonds at the time Outstanding, which consent shall not be unreasonably withheld, or (ii) for the last completed Fiscal Year, outstanding Indebtedness of the Institution and the School divided by the Revenues for such last completed Fiscal Year is equal to or less than 2.00 to 1.00, and, if applicable, on a prospective basis, in the first year following the end of Fiscal Year 2021 after construction or acquisition of the project to be acquired by the proceeds of such Additional Bonds, forecasted outstanding Indebtedness of the Institution and the School divided by Revenues for such last completed Fiscal Year is equal to or less than 2.00 to 1.00, as evidenced by an officer's certificate of the Institution and the School; or (iii) for the two (2) most recently completed Fiscal Years preceding the incurrence of such additional Indebtedness, Income Available for Debt Service divided by Maximum Annual Debt Service equals at least 1.20 to 1.00, and, if applicable, on a prospective basis, in the first year following the end of Fiscal Year 2021 after construction or acquisition of the project to be acquired by the proceeds of such Additional Bonds, forecasted Income Available for Debt Service divided by Maximum Annual Debt Service equals at least 1.40 to 1.00.

(b) *Additional Indebtedness for Working Capital Purposes.* The Institution and/or the School may incur unsecured Indebtedness or Indebtedness subordinate to the Series 2018 Bonds for working capital purposes of the Institution and/or the School (i) up to $250,000 in the aggregate outstanding at any one time and (ii) in excess of $250,000 with the prior written consent of the Bondholder Representative. The School and the Institution must notify Bondholder Representative of the incurrence of any such unsecured or subordinate Indebtedness in excess of $50,000 in the aggregate outstanding at any one time.

(c) *Additional Indebtedness of the Institution for Financing Equipment.* The Institution may incur up to $500,000 in the aggregate of Indebtedness pursuant to installment sales, conditional sales and Capital Leases (as defined in the Covenant Agreement) in connection with the financing of new or replacement equipment used to service the Facility; *provided however*, any such Indebtedness may be secured only by the equipment acquired by the Institution or the School with the proceeds of such indebtedness.

The Indenture

The Series 2018 Bonds are to be issued pursuant to the Indenture and will be equally and ratably secured thereby. As security for the Bonds, the Issuer has pledged and assigned to the Trustee the Trust

Estate, which includes: (i) all right, title and interest of the Issuer in and to the Loan Agreement, including all Loan Payments, revenues and receipts payable or receivable thereunder (other than the Issuer's Reserved Rights); (ii) all right, title and interest of the Issuer in and to the Promissory Note; and (iii) all moneys and securities from time to time held by the Trustee under the Indenture (other than the Rebate Fund and the Repair and Replacement Fund; *provided, however*, that amounts in the Series 2018A Account of the Debt Service Reserve Fund shall be pledged for the benefit of the Series 2018A Bonds only and amounts in the Series 2018B Account of the Debt Service Reserve Fund shall be pledged for the benefit of the Series 2018B Bonds only). The Indenture provides that all Series 2018 Bonds issued thereunder shall be special limited revenue obligations of the Issuer, payable solely from and secured solely by the Trust Estate. Pursuant to the Mortgage, the Institution will grant a mortgage lien on and security interest in the Facility to the Trustee and the Issuer, and the Issuer will assign its interest in the Mortgage to the Trustee. In the Loan Agreement, the Institution will covenant not to further encumber the Facility other than for certain Permitted Encumbrances without the prior written consent of the Issuer and the Trustee. See "APPENDIX F — FORM OF INDENTURE OF TRUST" in this Limited Offering Memorandum.

The Revenue Fund. Under the Indenture, there shall be deposited in the Revenue Fund all amounts received by the Trustee from the Institution or transferred pursuant to the Account Control Agreement into the Revenue Fund.

Application of Revenue Fund Moneys. Amounts in the Revenue Fund shall be transferred by the Trustee on each Loan Payment Date commencing on the August 5, 2020 Loan Payment Date, to the following Funds and Accounts in the following manner and in the order of priority indicated, provided that in the event funds on any Loan Payment Date are insufficient to make any one or more of such transfers, any and all of such deficiencies will be remedied prior to making any transfers to any subordinated funds (based on the following order of priority) on any future Loan Payment Date:

First, to the Bond Fund:

(1) For deposit into the subaccounts of the Interest Account of the Bond Fund, an amount equal (i) to one-third (1/3) (or such other pro-rated amount, adjusted as necessary) of the amount of interest that will become due on the Series 2018 Bonds on the next Interest Payment Date, including default interest (after taking into account any amounts on deposit in the Interest Account of the Bond Fund, and as shall be available to pay interest on the Series 2018 Bonds on such next succeeding Interest Payment Date);

(2) commencing on that Loan Payment Date as shall precede the first principal payment date (other than such principal as shall become due as a mandatory Sinking Fund Installment payment) by six (6) Loan Payment Dates, for deposit into the subaccounts of the Principal Account of the Bond Fund, an amount equal to at least one sixth (1/6) (or such other pro-rated amount, adjusted as necessary) of the amount of the principal of the Series 2018 Bonds Outstanding becoming due (other than by reason of mandatory Sinking Fund Installments); and

(3) commencing on that Loan Payment Date as shall precede the first Sinking Fund Installment payment date by six (6) Loan Payment Dates, for deposit into the subaccounts of the Sinking Fund Installment Account of the Bond Fund, an amount equal to at least one sixth (1/6) (or such other pro-rated amount, adjusted as necessary) of the amount of the next Sinking Fund Installment to become due on the Series 2018 Bonds.

Second, if the amount on deposit in the accounts of the Debt Service Reserve Fund shall be less than the Debt Service Reserve Fund Requirement, an amount equal to one sixth (1/6th) of such deficiency

in the accounts of the Debt Service Reserve Fund for deposit in the applicable account of the Debt Service Reserve Fund;

Third, each August 5, commencing August 5, 2021 and continuing through and including August 5, 2025, an amount equal to $259,082.50 (or $259,082.51 on August 5, 2025) for deposit in the Series 2018A Account of the Debt Service Reserve Fund; provided, however, that no additional payments shall be made into the Series 2018A Account of the Debt Service Reserve Fund once the balance therein is equal to the Debt Service Reserve Fund Requirement as of such date;

Fourth, to the Rebate Fund to pay any amounts required to be rebated to the Federal government pursuant to the Indenture or the Tax Regulatory Agreement;

Fifth, to the Repair and Replacement Fund, initially $50,000 on each Loan Payment Date until the amount on deposit in the Repair and Replacement Fund equals the Repair and Replacement Fund Requirement, and commencing August 5, 2023 and each Loan Payment Date thereafter, an amount each Loan Payment Date as shall be necessary such that the amount on deposit in the Repair and Replacement Fund is equal to the Repair and Replacement Fund Requirement within the applicable five-year time period;

Sixth, if at any time on or after July 1, 2023, the balance in the Repair and Replacement Fund is less than $200,000, to the Repair and Replacement Fund, the amount necessary each Loan Payment Date, in addition to the amounts required to be deposited therein pursuant to clause fifth above, if necessary, such that the Repair and Replacement Fund shall have a balance of at least $200,000 by the end of the following Fiscal Year;

Seventh, to the Bondholder Representative, to pay fees and expenses submitted to the Trustee in accordance with the terms of the Indenture; and

Eighth, all remaining funds shall be paid to the Institution and used for any authorized purpose.

Acceleration

Upon the occurrence of certain events, payment of the principal of and accrued interest on the Series 2018 Bonds may be accelerated under the Indenture. See "RISK FACTORS"; "APPENDIX E – FORM OF LOAN AGREEMENT – Events of Default" and "– Remedies on Default"; and "APPENDIX F – FORM OF INDENTURE OF TRUST – Events of Default; Acceleration of Due Date" and "– Enforcement of Remedies" in this Limited Offering Memorandum.

The Debt Service Reserve Fund

The Trustee has established under the Indenture a Debt Service Reserve Fund, and within the Debt Service Reserve Fund: a "Series 2018A Account" into which the Trustee shall deposit an amount equal to $1,224,184.61 with the last draw of the Series 2018A Bonds, which amount shall increase on each July 1, commencing on July 1, 2021 and continuing through and including July 1, 2025 by $259,082.50 (provided, however, that the final increase on July 1, 2025 shall be in the amount of $259,082.51 representing a total Debt Service Reserve Fund Requirement for the Series 2018A Bonds as of such date of $2,519,597.12) and shall increase on June 15, 2027, by $71,227.90 for a total Debt Service Reserve Fund Requirement for the Series 2018A Bonds as of such date of $2,590,825.02; and a "Series 2018B Account," into which the Trustee shall initially deposit the amount of $71,227.90 on the date of issuance of the Series 2018B Bonds (representing the Debt Service Reserve Fund Requirement for the Series 2018B Bonds). Upon the payment in full of the Series 2018B Bonds, the Trustee shall transfer all

amounts on deposit in the Series 2018B Account to the Series 2018A Account to the extent such Series 2018A Account has a balance less than the Debt Service Reserve Fund Requirement as of June 15, 2027. If there are funds remaining in the Series 2018B Account after such transfer, the Trustee shall transfer such funds to the applicable subaccount of the Interest Account of the Bond Fund and use such funds to pay interest on the Series 2018A Bonds.

Amounts on deposit in the Debt Service Reserve Fund shall be invested pursuant to the Indenture. Amounts in each account of the Debt Service Reserve Fund may be used by the Trustee to pay principal and interest on the corresponding series of Series 2018 Bonds in the event money provided in the Bond Fund are insufficient for such purpose. Amounts in the Debt Service Reserve Fund are valued at fair market value as determined by the Trustee on June 1 and December 1 of each year commencing December 1, 2020 as provided in the Indenture. If the Debt Service Reserve Fund falls below the Debt Service Reserve Fund Requirement, the Institution shall pay to the Trustee for deposit in the Debt Service Reserve Fund on the first Loan Payment Date immediately following the receipt by the Institution of notice of such deficiency, and on each of the five (5) succeeding Loan Payment Dates, or over such longer time period as shall be consented to in writing by the Bondholder Representative, an amount equal to one sixth (1/6th) of such deficiency in the Debt Service Reserve Fund. If amounts in the Debt Service Reserve Fund are in excess of the Debt Service Reserve Fund Requirement for the Series 2018 Bonds, such excess amount shall be transferred by the Trustee to the Project Fund until the completion of the Project pursuant to the terms of the Loan Agreement and thereafter the Trustee shall transfer such amount to the applicable subaccount of the Interest Account of the Bond Fund. See "APPENDIX F – FORM OF INDENTURE OF TRUST" in this Limited Offering Memorandum.

Repair and Replacement Fund

The Indenture establishes a fund designated as the "Repair and Replacement Fund." As provided in the Loan Agreement, the Institution shall engage an independent consultant to complete a Capital Needs Assessment (as defined in the Loan Agreement) for (i) the five (5) year period commencing on July 1, 2023, and (ii) each five (5) year period commencing on each fifth anniversary of July 1, 2023. The Institution will deliver a copy of the Capital Needs Assessment to the Trustee at least sixty (60) days prior to the commencing of the five (5) year period covered by such Capital Needs Assessment.

Commencing on the Loan Payment Date in August 2019 and continuing until the amount on deposit in the Repair and Replacement Fund equals the Repair and Replacement Fund Requirement, on each Loan Payment Date the Institution shall deposit $50,000, in the Repair and Replacement Fund. Thereafter, unless the amount on deposit in the Repair and Replacement Fund on the first Business day of Fiscal Year 2023 and each fifth Fiscal Year thereafter equals or exceeds the Repair and Replacement Fund Requirement for such five (5) year period (in which event no additional deposits are required), commencing with the first Loan Payment Date in such Fiscal Year and continuing with each Loan Payment Date thereafter through the end of such five year period, it shall deposit into the Repair and Replacement Funds substantially equal amounts which, in the aggregate, will equal the deficiency in the Repair and Replacement Fund by the end of the five (5) year period. The Institution shall not be required to pay or cause to be paid to the Trustee any amounts which would result in moneys in excess of the Repair and Replacement Fund Requirement being held in the Repair and Replacement Fund. Notwithstanding the foregoing, if at any time on or after July 1, 2023, the balance in the Repair and Replacement Fund is less than $200,000, the Institution shall deposit additional amounts into the Repair and Replacement Fund, such that the Repair and Replacement Fund shall have a balance if at least $200,000 as of the end of the next Fiscal Year as reported in such Fiscal Year's audit.

Interest and other income received on investment of moneys in the Repair and Replacement Fund shall be retained in the Repair and Replacement Fund, to the extent provided in the Indenture. The

Trustee may transfer any amounts on deposit in the Repair and Replacement Fund in excess of the Repair and Replacement Fund Requirement, on a pro rata basis, to the subaccounts of the Interest Account of the Bond Fund and applied to the payment of the interest on the Series 2018 Bonds; provided, however, that the amount remaining in the Repair and Replacement Fund immediately after such transfer shall not be less than the Repair and Replacement Fund Requirement.

Payments will be made from the Repair and Replacement Fund upon receipt by the Trustee of a written requisition from an Authorized Representative of the Institution consented to in writing by the Bondholder Representative, if any, setting forth the amount and the payee for the purpose of paying the cost of extraordinary maintenance and replacements which may be required to keep the Facility in sound condition, including but not limited to replacement of equipment, replacement of any roof or other structural component, exterior painting and the replacement of heating, air conditioning, plumbing and electrical equipment.

If on any Interest Payment Date or Redemption Date on the Bonds the amount in the applicable subaccount of the Interest Account of the Bond Fund (after taking into account amounts available to be transferred to such subaccount of the Interest Account from the Project Fund) is less than the amount of interest then due and payable on the Series 2018 Bonds, or if on any principal payment date on the Bonds the amount in the applicable subaccount of the Principal Account is less than the amount of principal of the Series 2018 Bonds then due and payable, or if on any Sinking Fund Installment payment date for the Series 2018 Bonds the amount in the applicable subaccount of the Sinking Fund Installment Account of the Bond Fund is less than the amount of the Sinking Fund Installment then due and payable on the Series 2018 Bonds, the Trustee will transfer moneys from the Repair and Replacement Fund, first, to such subaccount of the Interest Account, second to such subaccount of the Principal Account, and third, to such subaccount of the Sinking Fund Installment Account, all to the extent necessary to make good any such deficiency.

Defeasance

Upon certain terms and conditions specified in the Indenture, including provision for the payment of such Bonds, the Series 2018 Bonds or portions thereof will be deemed to be paid and the security provided in the Indenture and the Mortgage may be discharged prior to maturity or redemption of the Series 2018 Bonds. In that case, the Series 2018 Bonds will be secured solely by the cash and securities deposited with the Trustee for such purpose. See "APPENDIX F – FORM OF INDENTURE OF TRUST" in this Limited Offering Memorandum.

Mortgage

Pursuant to the Mortgage, to be executed by the Institution in favor of the Issuer and Trustee, as beneficiaries, and assigned by the Issuer to the Trustee, the payment of the principal of, premium, if any, and interest on the Series 2018 Bonds will be secured by a mortgage lien on and security interest in the Facility, subject to certain Permitted Encumbrances (as defined in the Indenture). Under the Mortgage, the Institution also will assign all leases and rents with respect to the Facility to the Issuer and the Trustee as further security for the Series 2018 Bonds. The Mortgage also contains the property and casualty insurance requirements for the Facility.

Subordination of Management Fees

Pursuant to the terms of a Subordination of Management Agreement, dated as of September 1, 2018 (the "Subordination Agreement"), from the School and the Institution to the Trustee and acknowledged by the Manager, the Institution and the Manager have agreed to subordinate the payment

of the Manager's fees under the terms of the Management Agreement to payment by the School of the Rent payments required under the Lease and payment of the Institution's obligations under the Loan Agreement.

TRANSFER RESTRICTIONS

The Series 2018 Bonds are to be offered and sold (including in secondary market transactions) only to "Qualified Institutional Buyers" (as defined in Rule 144A of the Securities Act) ("Qualified Institutional Buyers") or "Accredited Investors" (as defined in Regulation D of the Securities Act) ("Accredited Investors"). The Indenture contains provisions limiting transfers of the Series 2018 Bonds and beneficial ownership interests in the Series 2018 Bonds only to Qualified Institutional Buyers and Accredited Investors.

RISK FACTORS

No person should purchase any Series 2018 Bonds without carefully reviewing the following information, which summarizes some, but not all, factors that should be carefully considered before such purchase.

Nature of Special, Limited Obligations

THE SERIES 2018 BONDS ARE SPECIAL LIMITED REVENUE OBLIGATIONS OF THE ISSUER, PAYABLE AS TO PRINCIPAL, REDEMPTION PRICE AND INTEREST, SOLELY FROM THE TRUST ESTATE AND CERTAIN FUNDS AND ACCOUNTS ESTABLISHED UNDER THE INDENTURE. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE SERIES 2018 BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY, IS PLEDGED TO SUCH PAYMENT OF THE SERIES 2018 BONDS. THE SERIES 2018 BONDS WILL NOT BE PAYABLE OUT OF ANY FUNDS OF THE ISSUER OTHER THAN THOSE PLEDGED THEREFOR PURSUANT TO THE INDENTURE. THE SERIES 2018 BONDS WILL NOT GIVE RISE TO A PECUNIARY LIABILITY OR CHARGE AGAINST THE CREDIT OR TAXING POWERS OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY. NO RECOURSE WILL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE SERIES 2018 BONDS AGAINST ANY MEMBER, OFFICER, DIRECTOR, EMPLOYEE OR AGENT OF THE ISSUER. THE ISSUER HAS NO TAXING POWER.

Investment Risk

Purchase of the Series 2018 Bonds involves a substantial degree of risk. Securities of the general character of the Series 2018 Bonds are typically considered to be high-risk securities, sometimes referred to as "high-yield bonds." Such securities may exhibit price fluctuations due to changes in interest rate or bond yield levels. As a result, the value of the Series 2018 Bonds may fluctuate significantly in the short-term. Further, such securities have a less liquid resale market. As a result, potential investors may have difficulty selling or disposing of the Series 2018 Bonds quickly in certain markets or market environments. Such securities are also considered predominately speculative with respect to the obligor's continuing ability to make principal and interest payments. See also "RISK FACTORS – Dependence on Institution's Ability to Pay Loan Payments; Ability of School to Pay Payments of Rent" below. The Series 2018 Bonds should not be purchased by any potential investor who, because of financial condition,

investment policies or otherwise, does not desire to assume, or have the ability to bear, the risks inherent in an investment in the Series 2018 Bonds.

Dependence on Institution's Ability to Pay Loan Payments; Ability of School to Pay Payments of Rent

Payment of principal of, premium, if any, and interest on, the Series 2018 Bonds is intended to be made from Loan Payments made by the Institution under the Loan Agreement, except to the extent payment is intended to be made from other amounts held under the Indenture such as Series 2018 Bond proceeds or investment earnings. The Institution has no significant assets or business other than the assets and business related to the Facility. The ability of the Institution to make Loan Payments will depend on the Institution's ability to generate revenues sufficient to pay the Loan Payments, which will primarily depend on the ability of the School to make payments under the Lease. See "APPENDIX A – HEBREW LANGUAGE ACADEMY CHARTER SCHOOL 2" and "APPENDIX C – BUDGET PROJECTION" in this Limited Offering Memorandum.

The School's general revenues are a combination of state payments provided under several State and federal programs, including the Education Aid payments and Facilities Access Payments. See "CHARTER SCHOOL FUNDING IN THE STATE OF NEW YORK" in this Limited Offering Memorandum. Facilities Access Payments alone will likely be insufficient to make the total payments due under the Lease. Prior enrollment history of the School is no guaranty of future enrollment and revenues. See "APPENDIX A – HEBREW LANGUAGE ACADEMY CHARTER SCHOOL 2" and "APPENDIX C – BUDGET PROJECTION" in this Limited Offering Memorandum.

The amounts and the timing of future revenues of the School cannot be determined with assurance. Prior revenues and expenditures of the School are no guaranty as to future revenue and expenditures of the School. Any event that would cause a delay, reduction or elimination of Education Aid or Facilities Access Payments would have a material adverse effect on the ability of the School to pay Rent under the Lease and therefore on the ability of the Institution to make payments under the Loan Agreement representing debt service on the Series 2018 Bonds.

Limited Operating History; Reliance on Projections

The School has only operated since 2017-18 school year. The School's projections of revenues and expenses contained in "APPENDIX A – HEBREW LANGUAGE ACADEMY CHARTER SCHOOL 2 – Projected Revenues and Expenses," were prepared by the School with assistance from the Manager, but have not been independently verified by any party other than the School. The School's projections have not been prepared in accordance with generally accepted accounting principles. No feasibility studies have been conducted with respect to operations of the School pertinent to the Series 2018 Bonds. The projections are "forward-looking statements" and are subject to the general qualifications and limitations described under "RISK FACTORS –Forward-Looking Statements." The Underwriter has not independently verified the School's projections, and makes no representations nor gives any assurances that such projections, or the assumptions underlying them, are complete or correct. Further, the projections relate only to a limited number of fiscal years, and consequently do not cover the entire period that the Series 2018 Bonds will be outstanding.

The School has prepared its projections based on its operating history and its assumptions about future State funding levels and future operations of the School, including student enrollment and expenses. There can be no assurance that actual enrollment revenues and expenses will be consistent with the School's assumptions underlying such projections. Moreover, no guarantee can be made that the School's projections of revenues and expenses included herein will correspond with the results actually

achieved in the future because there can be no assurance that actual events will correspond with the projections' underlying assumptions. Actual operating results may be affected by many factors, including, but not limited to, increased costs, lower than anticipated revenues (as a result of insufficient enrollment, reduced State or federal aid payments, or otherwise), employee relations, changes in taxes, changes in applicable government regulation, changes in demographic trends, changes in education competition and changes in local or general economic conditions. Refer to "APPENDIX A – HEBREW LANGUAGE ACADEMY CHARTER SCHOOL 2 – Projected Revenues and Expenses," to review the projections, their underlying assumptions, and the other factors that could cause actual results to differ significantly from projected results. Refer to "RISK FACTORS – Forward-Looking Statements," below, for qualifications and limitations applicable to forward-looking statements.

No Taxing Authority; Dependence on Education Aid Payments and Facilities Access Payments

The Institution and the School do not possess any taxing authority and the School is substantially dependent upon the State to continue to provide funding for public charter schools. The obligation of the State under the Charter and State law to fund the School is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. In the event the State were to withhold the payment of money from the School for any reason, even a reason that is ultimately determined to be invalid or unlawful, it is likely that the School would be forced to cease operations.

Failure of New York City Department of Education to Make Education Aid Payments or Facilities Access Payments to the School

The regulations adopted by the New York State Commissioner of Education (the "Commissioner") provide that a charter school shall notify the Commissioner in the event that a school district (the NYC DOE on behalf of the New York City Community School District 21 with respect to the School) fails to make a required bi-monthly payment of Education Aid to a charter school such as the School. Such notice shall be given subsequent to the date a bi-monthly payment is due, but in no event later than May 31 of the school year in which such payments are due. Upon receipt of such notice, the Commissioner must certify to the State Comptroller (the "Comptroller") the amount of the unpaid obligation of the school district, which said amount shall be deducted from any Education Aid payment due to such school district (the NYC DOE on behalf of the New York City Community School District 21 with respect to the School) and instead will be paid directly by the Comptroller to the School. There can be no assurance of the timing of receipt of any such amounts so paid by the Comptroller. The regulations that refer to payments required by Section 2856 of the Charter Schools Act (Charter School Basic Tuition and federal/state aid attributable to students with disabilities) do not directly address Facilities Access Payments that are described in Section 2853 of the Charter Schools Act. The NYC DOE letter notifying the School that it will receive Facilities Access Payments stated that the Facilities Access Payments will be paid consistently with the bi-monthly basis outlined in Section 2856(1)(b) of the Charter Schools Act.

Delay in or Termination or Reduction of Education Aid or Facilities Access Payments

Even though New York State is obligated under its Constitution to provide for the maintenance and support of a system of free common schools, it is not obligated either to continue to authorize the operation of charter schools or to continue its current system of Education Aid or Facilities Access Payments. Any change in the Charter Schools Act or in the provisions of the New York State Education Law relating to the appropriation of Education Aid or Facilities Access Payments or failure by the State Legislature to appropriate funds sufficient to fund the operation of charter schools could have a material adverse effect on the ability of the School to make the payments of rent required under the Lease.

Although State law prescribes a detailed process applicable to the adoption by the State of its annual budget, the annual budgetary process has resulted in recent years in the adoption of annual budgets later, and in some instances substantially later, than April 1, which is the start of the State's fiscal year. No assurance can be given as to the date of adoption of future annual budgets or as to the availability of funds for public education purposes while the annual budget is pending. In addition, the State has had well publicized budget issues and deficits and such State budgetary pressures could continue and cause revisions to the funding of charter schools in the State.

Budget Projection

The Budget Projection (the "Budget Projection") prepared by the School and contained in "APPENDIX C – BUDGET PROJECTION" is based upon certain assumptions made by the School. No assurance can be given that the results described in the Budget Projection will be achieved. The School does not intend to issue an additional Budget Projection and, accordingly, there are risks inherent in using the Budget Projection in the future as the Budget Projection becomes outdated. The Budget Projection is only for fiscal years ending June 30, 2018 through June 30, 2025 and does not cover the entire period during which the Series 2018 Bonds may be outstanding. See "APPENDIX C – BUDGET PROJECTION" in this Limited Offering Memorandum.

No guaranty can be made that the Budget Projection will correspond with the results actually achieved in the future by the School because there is no assurance that actual events will correspond with the assumptions made by the School. For example, the Budget Projection makes certain assumptions as to continued demand for educational facilities such as the Facility and future enrollment at the School. Actual operating results of the School may be affected by many factors, including, but not limited to, increased costs, lower than anticipated enrollment, reduced State funding, changes in demographic trends, and local and general economic conditions. The Budget Projection, which appears in "APPENDIX C — BUDGET PROJECTION" in this Limited Offering Memorandum, should be read in its entirety.

Termination or Revocation of Charter

The Charter may be terminated by the Board of Regents or the Authorizer for the grounds set forth in the Charter Schools Act. The Charter also provides that it may be terminated and revoked by mutual agreement of the parties. For more information regarding conditions under which the Charter may be revoked, the revocation procedure, and other information regarding the Charter and the Charter Schools Act, see "CHARTER SCHOOL FUNDING IN THE STATE OF NEW YORK," "APPENDIX A – HEBREW LANGUAGE ACADEMY CHARTER SCHOOL 2 – The Charter Contract," and "APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF NEW YORK EDUCATION LAW" in this Limited Offering Memorandum.

While the School believes that it is in good standing with the Authorizer and is in material compliance with the Charter, no assurance can be given that the School will be able to maintain such good standing in the future. In addition, even though the School does not anticipate any non-renewal or revocation of its Charter, there can be no assurance that the Authorizer or the Board of Regents will not revoke the Charter in the future.

No Pledge of Revenues by the School

Under New York law, the School may not legally assign or pledge any interest in public education aid payable to the School pursuant to the Charter Schools Act to secure its obligations under the Lease.

Factors Associated with Education

There are a number of factors affecting schools in general, including the School, that could have an adverse effect on the School's financial position and its ability to make the payments required under the Lease and therefore on the ability of the Institution to make Loan Payments under the Loan Agreement. These factors include, but are not limited to (i) the ability to attract a sufficient number of students; (ii) future legislation and regulations affecting charter schools and the educational system in general; (iii) increasing costs of compliance with federal or State regulatory laws or regulations, including, without limitation, laws or regulations concerning environmental quality, work safety and accommodating persons with disabilities; (iv) increased costs of attracting and retaining or a decreased availability of a sufficient number of teachers, including as related to any unionization of the School's work force with consequent impact on wage scales and operating costs of the School; (v) cost and availability of insurance for charter schools in the State; and (vi) changes in existing statutes pertaining to the powers of the School and legislation or regulations which may affect program funding. The School cannot assess or predict the ultimate effect of these factors on its operations or the financial results of operations.

Competition for Students

The School competes for students primarily within the geographic area of New York City Community School District No. 21 (the "21st District") and other surrounding districts, and with other public schools and charter schools within the Brooklyn, New York area. Currently, there are approximately twenty (20) public schools within approximately a mile and a half of the School. There are currently approximately four (4) other charter schools located within a mile and a half of the School. In the view of the School, these schools are representative of the schools with which the School competes for students. See "APPENDIX A – HEBREW LANGUAGE ACADEMY CHARTER SCHOOL 2 — Service Area" and "- Competing Schools" in this Limited Offering Memorandum. No assurance can be given that the School will attract and retain the number of students that are needed to produce revenue necessary to pay the principal of and interest on the Series 2018 Bonds, or that additional schools will not be created in or near the School's service area.

Factors Associated with the School's Operations

There are a number of factors affecting schools generally that could have an adverse effect on the School's financial position and therefore the Institution's ability to make debt service payments on the Series 2018 Bonds. These factors include, but are not limited to, increasing costs of compliance with federal, state or local laws or regulations, including, but not limited to, laws or regulations concerning environmental quality, work safety and accommodation of persons with disabilities; taxes or other charges imposed by federal, state or local governments, changes in wage scales and operating costs of the School as a result of any change in union contracts pertaining to unionized workers of the School; the ability to attract a sufficient number of students for each grade level; a decline in the reputation of the School; changes in existing statutes pertaining to the powers of the School and disruption of the School's operations by real or perceived threats against the School, its staff members or students. Neither the Institution nor the School can assess or predict the ultimate effect of such factors on its operations or financial results of its operations or on the Institution's ability to make Loan Payments with respect to the Series 2018 Bonds.

Foreclosure Delays and Deficiency

Should Loan Payments be insufficient to pay the principal of and interest on the Series 2018 Bonds, the Trustee may seek to foreclose on or sell the Facility securing the Series 2018 Bonds. However, no assurance can be given that the value of the Facility at the time of such foreclosure or sale would be sufficient to meet all remaining principal and interest payments on the Series 2018 Bonds. In addition, the time necessary to institute and complete such proceedings could substantially delay receipt of funds from a foreclosure or sale. There could also be delays in regaining possession of the Facility from the Institution in the event of any default or dispute under the Loan Agreement.

Effect of Federal Bankruptcy Laws on Security for the Series 2018 Bonds

The Indenture, the Loan Agreement, the Mortgage, the Series 2018 Bonds and the Lease are subject to bankruptcy, insolvency, moratorium, reorganization and other state and federal laws affecting the enforcement of creditors' rights and to general principles of equity. A claim for payment of the principal of or interest on the Series 2018 Bonds could be made subject to any statutes that may be constitutionally enacted by the United States Congress or the New York State Legislature affecting the time and manner of payment or imposing other constraints upon enforcement.

If the Institution were to file a petition for relief under the United States Bankruptcy Code (the "Bankruptcy Code"), the filing could operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the Institution and its property. If the bankruptcy court so ordered, the assets of the Institution, including its accounts receivable and proceeds thereof, could be used for the benefit of the Institution despite the claims of its creditors.

In a case under the Bankruptcy Code, the Institution could file a plan of reorganization. The plan is the vehicle for satisfying, and provides for the comprehensive treatment of, all claims against the debtor, and could result in the modification of rights of creditors generally, or the rights of any class of creditors, secured or unsecured. Under certain circumstances, those voting against the plan or not voting at all are nonetheless bound by the terms thereof. Other than as provided in the confirmed plan, all claims and interests are discharged and extinguished. If less than all the impaired classes accept the plan, the plan may nevertheless be confirmed by the bankruptcy court, and the dissenting claims and interests bound thereby.

The Bankruptcy Code permits a bankruptcy court to modify the rights of a secured creditor. The potential effects of the bankruptcy of the Institution could be to delay substantially the enforcement of remedies otherwise available to the Issuer or the Trustee and to allow the bankruptcy court, under certain circumstances (i) to substitute other assets of the Institution for collateral under the Loan Agreement and the Mortgage, (ii) to sell all or part of the collateral under the Loan Agreement and the Mortgage without application of the proceeds to the payment of parity debt, (iii) to subordinate the Loan Agreement and the Mortgage to liens securing borrowings approved by the bankruptcy court, (iv) to permit the Institution to cure defaults and reinstate the Loan Agreement and the Mortgage, (v) to compel release of the Mortgage or termination of the Loan Agreement and the Mortgage by payment of an amount determined by the bankruptcy court to be the value of the collateral pledged by the Institution thereunder (even though less than the total amount of parity debt outstanding), or (vi) to modify the terms of or payments due under the Loan Agreement and the Mortgage. For additional detail, reference is made to the Bankruptcy Code, 11 U.S.C. §101 *et seq.*

Other Limitations on Enforceability of Remedies

There exists common law authority and authority under various state statutes pursuant to which courts may terminate the existence of a nonprofit corporation or undertake supervision of its affairs on various grounds, including a finding that the corporation has insufficient assets to carry out its stated charitable purposes or has taken some action which renders it unable to carry out such purposes. Such court action may arise on the court's own motion or pursuant to a petition of a state attorney general or other persons who have interests different from those of the general public, pursuant to the common law and statutory power to enforce charitable trusts and to see to the application of their funds to their intended charitable uses.

In addition to the foregoing, the realization of any rights under the Loan Agreement, the Indenture and the Mortgage upon a default by the Institution depends upon the exercise of various remedies specified in the Loan Agreement, the Indenture and the Mortgage. These remedies may require judicial action which is often subject to discretion and delay. Under existing law, certain of the remedies specified in the Loan Agreement, the Indenture and the Mortgage may not be readily available or may be limited. For example, a court may decide not to order the specific performance of the covenants contained in the Loan Agreement, the Indenture and the Mortgage. Accordingly, the ability of the Issuer or the Trustee to exercise remedies under the Loan Agreement, the Indenture and the Mortgage upon an Event of Default could be impaired by the need for judicial or regulatory approval.

Key Personnel

The School's creation, curriculum, educational philosophy, and day-to-day operations reflect the vision and commitment of the individuals who serve on the School's Board of Trustees and as the School's administrators (the "Key Personnel"). The loss of any Key Personnel could adversely affect the School's operations, its ability to attract and retain students and ultimately its financial results. For more information regarding the School's Key Personnel, see "APPENDIX A – HEBREW LANGUAGE ACADEMY CHARTER SCHOOL 2 — Governance and Administration" in this Limited Offering Memorandum.

Management of the School

The School contracts with the Manager for the management and operation of the School. As a general rule, charter school management companies assist charter schools in their crucial management functions including: recruiting and evaluating staff; human resources and payroll; budgeting and fiscal management and reporting; and other administrative functions. In the event that the Management Agreement is terminated in the future, the effect on the School cannot be determined in advance because the School would need to contract with another management company for operation and management of the School, or assume such management itself. See "APPENDIX A – HEBREW LANGUAGE ACADEMY CHARTER SCHOOL 2" in this Limited Offering Memorandum.

Additional Indebtedness

The Covenant Agreement places certain restrictions on the incurrence of indebtedness by the School and the Institution. No assurance can be given that the Issuer will not issue Additional Bonds for the benefit of the Institution or the School and the Institution will not incur Additional Indebtedness in the future. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS – Special Covenants of the School and the Institution; Additional Indebtedness" and "APPENDIX F — FORM OF INDENTURE OF TRUST" in this Limited Offering Memorandum.

Forward-Looking Statements

This Limited Offering Memorandum contains certain statements that are "forward-looking" statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts included in this Limited Offering Memorandum, including without limitation statements that use terminology such as "estimate," "plan," "budget," "expect," "intend," "anticipate," "believe," "may," "will," "continue," and similar expressions, are forward-looking statements. These forward-looking statements include, among other things, the discussions related to the School's operations and expectations regarding student enrollment, future operations, revenues, capital resources, and expenditures for capital projects. Although the Institution and the School believe that the assumptions upon which the forward-looking statements contained in this Limited Offering Memorandum are based are reasonable, any of the assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions also could be incorrect. All phases of the operations of the Institution and the School involve risks and uncertainties, many of which are outside the control of the Institution and the School and any one of which, or a combination of which, could materially affect the results of the Institution's or the School's operations and whether the forward-looking statements ultimately prove to be correct. Factors that could cause actual results to differ from those expected include, but are not limited to, general economic conditions such as inflation and interest rates, both nationally and in New York where the Facility is located; the willingness of the State to fund charter school operations at present or increased levels; competitive conditions within the School's market, including the acceptance of the education services offered by the School; lower enrollments than projected; unanticipated expenses; the capabilities of the School's management; changes in government regulation of the education industry; future claims for accidents at the Facility and the extent of insurance coverage for such claims; and other risks discussed in this Limited Offering Memorandum. THE BUDGET PROJECTION CONTAINED IN APPENDIX C ATTACHED TO THIS LIMITED OFFERING MEMORANDUM IS NOT A HISTORICAL STATEMENT OF FINANCIAL PERFORMANCE OF THE SCHOOL, BUT IS A FORWARD LOOKING FORECAST OF FUTURE, PROJECTED FINANCIAL PERFORMANCE OF THE SCHOOL.

No representation or assurance can be given that the School will realize revenues in an amount sufficient to make the required payments under the Lease or, therefore, that the Institution will realize revenues in amounts sufficient to make the required payments under the Loan Agreement. No market study or demand analysis has been prepared for the School to analyze the existing or future demand for the School's charter school educational services. The realization of future Revenues is dependent upon, among other things, the matters described in the foregoing paragraphs and future changes in economic and other conditions that are unpredictable and cannot be determined at this time. The Underwriter makes no representation as to the accuracy of the projections contained herein or as to the assumptions on which the projections are based.

Property Tax Exemption

Under present State law and rulings, property used for charter school purposes is exempt from property taxes levied by political subdivisions of the State so long as such property is used for the exempt purpose of the School. Therefore, even though the Facility is used for charter school purposes, it is not currently exempt from property taxes because the Seller does not qualify for such exemption. The Institution is required to pay such property taxes under the Lease. After acquiring the Facility, the Institution must file an application for exemption from real property taxes based on the fact that it is a disregarded entity whose sole member is a charitable organization using the property in connection with its charitable purposes. Assuming such exemption is granted, such property tax exemption will be

retroactive to the date the Institution acquired the Facility. Therefore, it is anticipated that from and after the date of acquisition of the Facility, the Institution will be exempt from property taxes with respect to the Facility. Nevertheless, such laws, regulations and rulings are subject to change, and no assurance can be given that any future change in exempt status would not have a material adverse effect on the Institution and the School. If the Institution or the School is required to pay property taxes with respect to the Facility in the future, it would have a negative impact on the cash flow of the Institution and School. The School has assumed for purposes of the Budget Projection that the Institution and School will be exempt from property taxes with respect to the Facility; however, no assurance can be given that such exemption will be granted.

Tax-Exempt Status of the School and the Institution's Single Member

The tax-exempt status of the Series 2018A Bonds currently depends upon the maintenance by the Institution's sole member of its status as an organization described in Section 501(c)(3) of the Code and the maintenance by the School, as the lessee of the Facility, of its status as an organization described in Section 501(c)(3) of the Code. If the Institution's sole member were to lose its tax-exempt status, its property and its revenues could become subject to federal, state and local income taxation. Loss of the tax-exempt status of the Institution's member also could result in loss of the tax-exempt status of other debt that may be issued on behalf of the Institution in the future and defaults in covenants regarding the Series 2018A Bonds and any such other tax-exempt debt would likely result. For these reasons, loss of the tax-exempt status of the Institution's member or the School could have a material adverse effect on the results of operations and financial condition of the Institution.

The maintenance of the federal tax-exempt status of an organization is contingent on compliance with general rules promulgated in the Code and related regulations regarding the organization and operation of tax-exempt entities, including their operation for charitable and educational purposes and their avoidance of transactions which may cause their earnings or assets to inure to the benefit of private individuals. As these general principles were developed primarily for public charities which do not conduct technical operations and business activities, they often do not adequately address the myriad of operations and transactions entered into by modern tax-exempt organizations.

One of the tools available to the Internal Revenue Service to discipline a tax-exempt entity for private inurement or unlawful private benefit is revocation of the entity's tax-exempt status. Although the Internal Revenue Service has not often revoked the tax-exempt status of an organization, it could do so in the future.

IRS Compliance Program

The Internal Revenue Service has an active program of conducting examinations of tax-exempt bonds through its Tax-Exempt and Government Entities Division (the "TE/GE Division"). Bond Counsel will render an opinion with respect to the tax-exempt status of interest on the Series 2018A Bonds, as described under the caption "TAX MATTERS – SERIES 2018A BONDS" in this Limited Offering Memorandum. However, neither the Institution nor the School has sought and neither is expected to seek, a ruling from the Internal Revenue Service with respect to the tax-exempt status of the Series 2018A Bonds. No assurance can be given that the Internal Revenue Service will not examine the Series 2018A Bonds. If the Internal Revenue Service examines the Series 2018A Bonds, such examination may have an adverse impact on the marketability and price of the Series 2018A Bonds. See "TAX MATTERS – SERIES 2018A BONDS" in this Limited Offering Memorandum.

Tax-Exempt Status of the Series 2018A Bonds

The tax-exempt status of the interest on the Series 2018A Bonds is conditioned upon the School and the Institution complying with the requirements of the Code and applicable Treasury Regulations as they relate to the Series 2018A Bonds. Failure of the Institution and the School to comply with the terms and conditions of the Loan Agreement, the Tax Regulatory Agreement, the Indenture, the Lease and other documents as described herein may result in the loss of the tax-exempt status of the interest or premium on the Series 2018A Bonds retroactive to the date of issuance of the Series 2018A Bonds. If interest on the Series 2018A Bonds should become includable in gross income for purposes of federal income taxation, the market for and value of the Series 2018A Bonds would be adversely affected. See "TAX MATTERS – SERIES 2018A BONDS" in this Limited Offering Memorandum.

Unrelated Business Taxable Income

In recent years, the Internal Revenue Service and state, county and local taxing authorities have been undertaking audits and reviews of the operations of tax-exempt institutions with respect to their exempt activities and the generation of unrelated business taxable income ("UBTI"). The Institution, the School and the Manager believe they have properly accounted for and reported UBTI; nevertheless, an investigation or audit could lead to a challenge which could result in taxes, interest and penalties with respect to unreported UBTI and in some cases could affect the tax-exempt status of the Institution or the School as well as the excludability from gross income for federal income tax purposes of the interest payable on the Series 2018A Bonds and any other tax-exempt debt issued on behalf of the Institution.

Resale of Series 2018 Bonds/Lack of Secondary Market

There is no guarantee that a secondary trading market will develop for the Series 2018 Bonds. The Series 2018 Bonds may only be bought by or transferred to Accredited Investors or Qualified Institutional Buyers and must be sold to a broker-dealer of securities to be transferable only to Accredited Investors or Qualified Institutional Buyers. See "TRANSFER RESTRICTIONS" in this Limited Offering Memorandum. Consequently, prospective bond purchasers should be prepared to hold their Series 2018 Bonds to maturity or prior redemption.

Changes in Law; Annual Appropriation; Inadequate Education Aid Payments

Future changes to the Charter Schools Act by the State Legislature could be adverse to the financial interests of the School and the Institution and could adversely affect the security and sources of payment for the Series 2018 Bonds. There can be no assurance given that the State Legislature will not in the future amend the Charter Schools Act in a manner which is adverse to the interests of the registered owners of the Series 2018 Bonds.

Like in many states, lawsuits are occasionally filed in New York challenging the State's system of funding public schools. The outcome of any such public school funding cases in the State in the future cannot be known.

New York may experience downturns in its economy and tax revenues in the future. The provisions of the Charter Schools Act are subject to amendment by the State Legislature, including the reduction of State funding, which could adversely affect the School. STATE BUDGET CONSIDERATIONS MAY ALSO ADVERSELY AFFECT APPROPRIATIONS FOR CHARTER SCHOOL FUNDING.

Construction Risk Relating to the Project

Construction, installation and equipping of any capital improvement is subject to the risks of cost overruns and delays due to a variety of factors, including, but not limited to, delays in obtaining necessary permits, licenses and other governmental approvals, site difficulties, labor disputes, delays in delivery and shortage of materials, adverse weather conditions, fire and other casualties and default by the Institution, a contractor or subcontractor, environmental restrictions or similar unknown or unforeseeable contingencies. The occurrence of any of the foregoing could result in increases in construction costs or considerable delays, in, or the complete impossibility of, the completion of the Facility.

The Facility is expected to be completed by the 2020-21 school year. The Institution believes that the proceeds of the Series 2018 Bonds will be sufficient to finance the costs of the Project. The costs of construction, installation and equipping any capital improvement, as applicable, may be increased, however, if there are change orders. Whether the Facility will be completed on schedule depends upon a large number of factors beyond the control the Institution, including those described in the preceding paragraph. Although construction work will be inspected periodically, there can be no assurance that the Facility will conform to construction specifications or state or local regulations. Any delay in completion of the Facility could have an adverse effect on the School and the School's operations at the Facility.

Damage or Destruction

The Loan Agreement, the Mortgage, the Covenant Agreement and Lease require that the Facility be insured against certain risks. There can be no assurance that the amount of insurance required to be obtained with respect to the Facility will be adequate or that the cause of any damage or destruction to the Facility will be as a result of a risk which is insured. Further, there can be no assurance of the ongoing creditworthiness of the insurance companies from which the Institution and School obtain insurance policies. The Institution and School believe that the risks associated with its properties and its operations are adequately provided for through the insurance policies it maintains. The Institution and the School will provide property insurance on the Facility through a standard commercial insurance policy.

Environmental Risks

The Facility is subject to various federal, State and local laws and regulations relating to human health and safety and the environment. In general, these laws and regulations could require the owner of the Facility to implement mitigation to reduce the environmental impacts of the Facility or to remediate adverse environmental conditions on or relating to the Facility, regardless of whether arising from preexisting conditions or arising because of the activities conducted in connection with the ownership and operation of the Facility. Moreover, these laws and regulations can and often do change through legislative, judicial, or regulatory activities.

Environmental Regulations and Permitting

Federal, state, and local environmental and health and safety laws, regulations, and standards regulate the Facility. Conditions or mitigation as required by these laws and regulations can be imposed either through permitting or by audit, any of which could result in increased costs to the School. While the School believes that it is in material compliance with applicable environmental laws for the Facility, there is no assurance that the School, either under construction or in operation as currently contemplated, is now or will always be in compliance with these regulations or be able to obtain all required construction or operating permits. In addition, the costs incurred by the Institution with respect to compliance with human health and safety and environmental laws and regulations could adversely affect its financial condition and its ability to own and operate the Facility.

Hazardous Materials

Hazardous materials laws, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act, can and will impose joint and several liability, without regard to fault, for investigation and clean-up costs on persons who have disposed of or released hazardous substances into the environment and on current and former owners and operators of real property (and to any beneficiary of a Mortgage on the Facility, particularly following any sale or foreclosure proceeding). The Institution may also be liable for such claims contractually, as the Institution indemnified the Seller for any and all claims related to hazardous materials as part of the Institution's acquisition of the Facility. The Facility site is less than one-half of an acre.

As part of its diligence for the acquisition of the Facility, the Institution commissioned a Phase I Environmental Site Assessment (the "Phase I") for the Facility. The Phase I, dated May 1, 2018, was conducted by PVE, LLC, New York, New York ("PVE").

The Phase I did not identify any Controlled Recognized Environmental Conditions ("CREC") or Historical Recognized Environmental Conditions for the site of the Facility. The Phase I identified the following recognized environmental conditions ("REC") located near the Facility site:

1. The historical use of the subject property consisted of a car wash from at least 1968 until 1976, and four underground gasoline storage tanks were depicted on the northwest portion of the site in 1930 and 1950. The mishandling or release of petroleum products from these tanks and in facilities such as these have the potential to contaminate soil and/or groundwater and potentially soil vapor quality at the subject property.

2. Historical and current uses of properties adjoining and nearby the subject property (dry cleaner and auto repair station) are considered a REC. Specifically, two auto repair shops located 269 feet and 282 feet to the northwest of the subject property, and a dry cleaning facility located 305 feet to the west of the subject property. The mishandling or release of chemicals used in facilities such as these have the potential to contaminate soil and/or groundwater and ultimately soil vapor quality at the subject property, creating a potential vapor intrusion condition.

Even though the Phase I did not show any evidence of contamination on the property on which the Facility will be located, claims for material costs associated with hazardous materials may arise during the term of the Series 2018 Bonds and could adversely affect the Institution's financial condition and its ability to own and operate the Facility. Furthermore, any such claims could result in the imposition of use limitations, such as restrictive covenants, that could impair the ability of the School to operate the Facility.

As set forth in the Phase I, based on its findings, PVE recommended the Institution commission a Phase II Environmental Site Assessment (the "Phase II") for the Facility. The Phase II, dated May 11, 2018, was conducted by PVE to evaluate the soil, groundwater, and soil vapor quality at the Facility. The Phase II disclosed that there are potential underground fuel storage tanks ("UST") located at the Facility, along with elevated levels of volatile organic compounds ("VOC") and petroleum odors in the soil and groundwater samples. Based on its investigations, PVE concluded that there was a potential spill at the Facility and reported the spill to the New York State Department of Environmental Conservation as spill number 1801388.

In addition, the Phase II proposed the following recommendations for remediation of the RECs near the Facility described above:

1. *Historical fill present at the Facility*: Removal of the fill which will require special handling for disposal at an off-site location.

2. *Underground Storage Tanks*: Any remaining USTs should be excavated and removed during the redevelopment of the Facility.

3. *Volatile Organic Compounds*: During the redevelopment of the Facility, contractors should include a vapor barrier in the design of any future foundations for Facility to mitigate any potential vapor intrusion condition. This vapor barrier should consist, at a minimum, of a 20-mil product such as Raven Industries Vapor Block Plus or similar product.

4. *Voluntary Cleanup Program*: The Facility should be submitted to the New York City Mayor's Office of Environmental Remediation Voluntary Cleanup Program to facilitate remediation of the Facility and spill closure.

To date, the remediation plan has not been finalized or submitted for approval by the New York Department of Environmental Remediation.

No Appraisal

No appraisal of the Facility has been commissioned to be provided upon the issuance of the Series 2018 Bonds. An appraisal is required upon completion of construction of the Facility. In the event of a foreclosure of the Mortgage, the value of the Facility in such event cannot be determined and may be substantially less than the cost of the acquisition, renovation and equipping of the Facility and there can be no assurance that the value received for the Facility will be sufficient to pay the principal of and interest due on the Series 2018 Bonds.

Not Rated

The Series 2018 Bonds will not be rated at the time of issuance. See "NOT RATED" in this Limited Offering Memorandum.

Enforcement of Remedies

The remedies available to the Trustee or the registered owners of the Series 2018 Bonds upon an Event of Default under the Indenture or the Loan Agreement are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies provided in the Indenture and the Loan Agreement may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2018 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the sovereign powers of the State and the constitutional powers of the United States of America, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Failure to Provide Ongoing Disclosure

The Institution and the School will enter into the Continuing Disclosure Agreement. Neither the Institution nor the School has previously been subject to a continuing disclosure undertaking under the Rule. Failure by the Institution or the School to comply with the Continuing Disclosure Agreement and the Rule may adversely affect the liquidity of the Series 2018 Bonds and their market price in the

secondary market. See "CONTINUING DISCLOSURE" and "APPENDIX I – FORM OF CONTINUING DISCLOSURE AGREEMENT" in this Limited Offering Memorandum.

Private School Vouchers

Various proposals offering private school vouchers to families to assist with the cost of private schools have been considered by the State Legislature and will likely be introduced again in the future.

Redemption Prior to Maturity

The Series 2018 Bonds are subject to redemption at the option of the Institution and in the event of certain occurrences. See "THE SERIES 2018 BONDS – Redemption of Series 2018 Bonds" in this Limited Offering Memorandum.

Reserve Fund

The Indenture has established the Debt Service Reserve Fund, and within the Debt Service Reserve Fund a "Series 2018A Account" for the Series 2018A Bonds and a "Series 2018B Account" for the 2018B Bonds, for payment of principal and interest due to the registered owners of the Series 2018A Bonds and Series 2018B Bonds, respectively, to the extent revenues are insufficient to make such payments. Although the Institution believes such reserve to be reasonable, and anticipates that revenues will be sufficient to cover the debt service on the Series 2018 Bonds, there is no assurance that funds reserved and future revenues will be sufficient to cover debt service on the Series 2018 Bonds.

Certain Other Risks

The following factors, among others, may also adversely affect the Institution and the School, to an extent that cannot be determined at this time:

(1) Cost and availability of insurance, as well as the potential for claims in excess of available insurance funds.

(2) Increased costs of attracting and retaining or decreased availability of a sufficient number of teachers and other professionals.

(3) Increased costs resulting from more stringent requirements governing the quality of education.

(4) Increases in costs, including costs associated with, among other things, salaries, wages and fringe benefits, supplies, technology and equipment, insurance, energy and other utilities and other costs, without a corresponding increase in revenues.

(5) Inability of the School to obtain future governmental approvals to undertake additional projects necessary to remain competitive as to the quality of education or any limitation on the availability of tax-exempt or other financing for future projects.

(6) The occurrence of natural disasters, including floods, hurricanes, tornadoes, earthquakes and epidemics, or the occurrence of criminal or terrorist acts or other calamities could damage the Facility, interrupt utility service and interrupt the operations of the School with a resulting decline in revenues and any failure of the insurance carried by the School or the Institution to cover any losses resulting from the occurrence of any such event.

Summary

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Series 2018 Bonds. In order for potential investors to identify risk factors and make an informed decision, potential investors should be thoroughly familiar with this entire Limited Offering Memorandum including the appendices hereto.

UNAUDITED FINANCIAL STATEMENTS OF THE SCHOOL

The unaudited financial statements of the School as of and for the fiscal year ended June 30, 2018 (the "Unaudited Financial Statements"), are included in APPENDIX D to this Limited Offering Memorandum. The Unaudited Financial Statements are not audited financial statements. See "APPENDIX D – UNAUDITED FINANCIAL STATEMENTS OF THE SCHOOL" in this Limited Offering Memorandum.

THE BUDGET PROJECTION

The School has prepared the Budget Projection and related assumptions included in APPENDIX C to this Limited Offering Memorandum. The Budget Projection is based on the assumptions made by management of the School as to, among other things, future enrollment levels, future costs and future revenues. The Budget Projection is for the five fiscal years of the School ending June 30, 2018 through June 30, 2025. **The Budget Projection (including the notes thereto) should be read in its entirety.**

The Budget Projection is based on various assumptions that represent only the beliefs of the School's management as to the most probable future events and are subject to material uncertainties. No assurances can be given that the School will, in fact, be able to generate sufficient revenue and attain the enrollment levels as stated in the Budget Projection, and variations from the Budget Projection for each of such matters should be expected to occur. Accordingly, the operations and financial condition of the School in the future will inevitably vary from those set forth in the Budget Projection, and such variance may be material and adverse. See "RISK FACTORS – Budget Projection" in this Limited Offering Memorandum.

The School has not assumed any responsibility to update the Budget Projection or to provide any financial forecasts or projections in the future. The Underwriter and the Issuer have made no independent inquiry as to the assumptions on which the Budget Projection is based and assume no responsibility therefor.

TAX MATTERS — SERIES 2018A BONDS

Federal Income Taxes

The Code imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2018A Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2018A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2018A Bonds. Pursuant to the Indenture, the Loan Agreement and the Tax Regulatory Agreement for the Series 2018A Bonds, the Issuer, the Institution, the Manager and the School have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2018A Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Issuer, the Institution, the Manager and the School have made

certain representations and certifications in the Indenture, the Loan Agreement and the Tax Regulatory Agreement. Bond Counsel will also rely on the opinions of counsel to the Institution, the Manager and the School as to all matters concerning the status of the Institution as a disregarded entity for federal income tax purposes and the Manager and the School as organizations described in Section 501(c)(3) of the Code and exempt from federal income tax under Section 501(a) of the Code. Bond Counsel will not independently verify the accuracy of those representations and certifications or those opinions.

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the aforementioned covenants, and the accuracy of certain representations and certifications made by the Issuer, the Institution, the Manager and the School described above, interest on the Series 2018A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. However, it is noted that solely for taxable years beginning before January 1, 2018, interest on the Series 2018A Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations under the Code.

State Tax Opinion

Bond Counsel is also of the opinion that interest on the Series 2018A Bonds is exempt from personal income taxation imposed by the State of New York or any political subdivision thereof, including The City of New York, assuming compliance with the tax covenants and the accuracy of the representations and certifications described under the heading "Federal Income Taxes." Bond Counsel expresses no opinion as to other New York State or local tax consequences arising with respect to the Series 2018A Bonds nor as to the taxability of the Series 2018A Bonds or the income therefrom under the laws of any jurisdiction other than the State of New York.

Original Issue Discount

Bond Counsel is further of the opinion that the excess of the principal amount of a maturity of the Series 2018A Bonds over its issue price (i.e., the first price at which price a substantial amount of such maturity of the Series 2018A Bonds was sold to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (each, a "Discount Bond" and collectively the "Discount Bonds") constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Series 2018A Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such issue price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment. Owners of the Discount Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Bonds.

Original Issue Premium

Series 2018A Bonds sold at prices in excess of their principal amounts are "Premium Bonds". An initial purchaser with an initial adjusted basis in a Premium Bond in excess of its principal amount will have amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Bond based on the purchaser's yield to maturity

(or, in the case of Premium Bonds callable prior to their maturity, over the period to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Series 2018A Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

Ancillary Tax Matters

Ownership of the Series 2018A Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, and individuals seeking to claim the earned income credit. Ownership of the Series 2018A Bonds may also result in other federal tax consequences to taxpayers who may be deemed to have incurred or continued indebtedness to purchase or to carry the Series 2018A Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the Series 2018A Bonds is subject to information reporting to the Internal Revenue Service (the "IRS") in a manner similar to interest paid on taxable obligations. In addition, interest on the Series 2018A Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Bond Counsel is not rendering any opinion as to any federal tax matters other than those described in the opinion attached as APPENDIX H to this Limited Offering Memorandum. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2018A Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Changes in Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series 2018A Bonds and for federal or state income tax purposes, and thus on the value or marketability of the Series 2018A Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Series 2018A Bonds from gross income for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of Holders of the Series 2018A Bonds may occur. Prospective purchasers of the Series 2018A Bonds should consult their own tax advisers regarding the impact of any change in law on the Series 2018A Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Series 2018A Bonds may affect the tax status of interest on the Series 2018A Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with

respect to the Series 2018A Bonds, or the interest thereon, if any action is taken with respect to the Series 2018A Bonds or the proceeds thereof upon the advice or approval of other counsel.

The form of the approving opinion of Bond Counsel is attached to this Limited Offering Memorandum as APPENDIX H – "FORM OF BOND COUNSEL OPINION."

TAX MATTERS — SERIES 2018B BONDS

In General

The following is a summary of certain anticipated United States federal income tax consequences of the purchase, ownership and disposition of the Series 2018B Bonds. The summary is based upon the provisions of the Code, the Treasury Regulations promulgated thereunder and the judicial and administrative rulings and decisions now in effect, all of which are subject to change. Such authorities may be repealed, revoked, or modified, possibly with retroactive effect, so as to result in United States federal income tax consequences different from those described below. The summary generally addresses Series 2018B Bonds held as capital assets within the meaning of Section 1221 of the Code and does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances or certain types of investors subject to special treatment under the federal income tax laws, including but not limited to financial institutions, insurance companies, dealers in securities or currencies, persons holding such Series 2018B Bonds as a hedge against currency risks or as a position in a "straddle," "hedge," "constructive sale transaction" or "conversion transaction" for tax purposes, or persons whose functional currency is not the United States dollar. It also does not deal with Holders other than original purchasers that acquire Series 2018B Bonds at their initial issue price except where otherwise specifically noted. Potential purchasers of the Series 2018B Bonds should consult their own tax advisors in determining the federal, state, local, foreign and other tax consequences to them of the purchase, holding and disposition of the Series 2018B Bonds.

The Issuer has not sought and will not seek any rulings from the IRS with respect to any matter discussed herein. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax characterizations and tax consequences set forth below.

U.S. Holders

As used herein, the term "U.S. Holder" means a beneficial owner of Series 2018B Bonds that is (a) an individual citizen or resident of the United States for federal income tax purposes, (b) a corporation, including an entity treated as a corporation for federal income tax purposes, created or organized in or under the laws of the United States or any State thereof (including the District of Columbia), (c) an estate whose income is subject to federal income taxation regardless of its source, or (d) a trust if a court within the United States can exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust. Notwithstanding clause (d) of the preceding sentence, to the extent provided in Treasury regulations, certain trusts in existence on August 20, 1996, and treated as United States persons prior to that date that elect to continue to be treated as United States persons also will be U.S. Holders. In addition, if a partnership (or other entity or arrangement treated as a partnership for federal income tax purposes) holds Series 2018B Bonds, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. If a U.S. Holder is a partner in a partnership (or other entity or arrangement treated as a partnership for federal income tax purposes) that holds Series 2018B Bonds, the U.S. Holder is urged to consult its own tax advisor regarding the specific tax consequences of the purchase, ownership and dispositions of the Series 2018B Bonds.

Federal Taxation of Interest Generally

Interest on the Series 2018B Bonds is not excluded from gross income for federal income tax purposes under Code section 103 and so will be fully subject to federal income taxation. Purchasers (other than those who purchase Series 2018B Bonds in the initial offering at their principal amounts) will be subject to federal income tax accounting rules affecting the timing and/or characterization of payments received with respect to such Series 2018B Bonds. In general, interest paid on the Series 2018B Bonds and recovery of any accrued original issue discount and market discount will be treated as ordinary income to a Bondholder, and after adjustment for the foregoing, principal payments will be treated as a return of capital to the extent of the U.S. Holder's adjusted tax basis in the Series 2018B Bonds and capital gain to the extent of any excess received over such basis.

Recognition of Income Generally

Section 451 of the Code was amended by the Tax Cuts and Jobs Act, Pub. L. No. 115-97, enacted December 22, 2017, to provide that purchasers using an accrual method of accounting for U.S. federal income tax purposes generally will be required to include certain amounts in income, including market discount, no later than the time such amounts are reflected on certain financial statements of such purchaser. The application of this rule thus may require the accrual of income earlier than would have been the case prior to the amendment of Section 451. Prospective purchasers of the Series 2018B Bonds should consult their own tax advisors regarding the potential applicability of this rule and its impact on the timing of the recognition of income related to the Series 2018B Bonds under the Code.

State Taxes

Interest on the Series 2018B Bonds is not exempt from personal income taxes of the State of New York and its political subdivisions, including The City of New York. Bond Counsel expresses no opinion as to other state or local tax law consequences arising with respect to the Series 2018B Bonds nor as to the taxability of the Series 2018B Bonds or the income derived therefrom under the laws of any jurisdiction other than the State of New York.

Original Issue Discount

The following summary is a general discussion of certain federal income tax consequences of the purchase, ownership and disposition of Series 2018B Bonds issued with original issue discount ("Discount Bonds"). A Series 2018B Bond will be treated as having been issued with an original issue discount if the excess of its "stated redemption price at maturity" (defined below) over its issue price (defined as the initial offering price to the public at which a substantial amount of the Series 2018B Bonds of the same maturity have first been sold to the public, excluding bond houses and brokers) equals or exceeds one quarter of one percent of such Series 2018B Bond's stated redemption price at maturity multiplied by the number of complete years to its maturity (or, in the case of an installment obligation, its weighted average maturity).

A Series 2018B Bond's "stated redemption price at maturity" is the total of all payments provided by the Series 2018B Bond that are not payments of "qualified stated interest." Generally, the term "qualified stated interest" includes stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate or certain floating rates.

In general, the amount of original issue discount includible in income by the initial holder of a Discount Bond is the sum of the "daily portions" of original issue discount with respect to such Discount Bond for each day during the taxable year in which such holder held such Bond. The daily portion of

original issue discount on any Discount Bond is determined by allocating to each day in any "accrual period" a ratable portion of the original issue discount allocable to that accrual period.

An accrual period may be of any length, and may vary in length over the term of a Discount Bond, provided that each accrual period is not longer than one year and each scheduled payment of principal or interest occurs at the end of an accrual period. The amount of original issue discount allocable to each accrual period is equal to the difference between (i) the product of the Discount Bond's adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period) and (ii) the amount of any qualified stated interest payments allocable to such accrual period. The "adjusted issue price" of a Discount Bond at the beginning of any accrual period is the sum of the issue price of the Discount Bond plus the amount of original issue discount allocable to all prior accrual periods minus the amount of any prior payments on the Discount Bond that were not qualified stated interest payments. Under these rules, holders generally will have to include in income increasingly greater amounts of original issue discount in successive accrual periods.

Holders utilizing the accrual method of accounting may generally, upon election, include in gross income all interest (including stated interest, acquisition discount, original issue discount, de minimis original issue discount, market discount, de minimis market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) on a Series 2018B Bond by using the constant yield method applicable to original issue discount, subject to certain limitations and exceptions. However, holders that use an accrual method of accounting may be required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements of such holder as discussed under "Recognition of Income Generally" above. Prospective purchasers of the Series 2018B Bonds should consult their own tax advisors regarding the potential applicability of this rule and its impact on the timing of the recognition of income related to the Series 2018B Bonds under the Code.

Market Discount

Any owner who purchases a Series 2018B Bond at a price which includes market discount (i.e., at a purchase price that is less than its adjusted issue price in the hands of an original owner) in excess of a prescribed de minimis amount will be required to recharacterize all or a portion of the gain as ordinary income upon receipt of each scheduled or unscheduled principal payment or upon other disposition. In particular, such owner will generally be required either (a) to allocate each such principal payment to accrued market discount not previously included in income and to recognize ordinary income to that extent and to treat any gain upon sale or other disposition of such a Series 2018B Bond as ordinary income to the extent of any remaining accrued market discount or (b) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such owner on or after the first day of the taxable year to which such election applies.

The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the legislative history of the Tax Reform Act of 1986 will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest.

An owner of a Series 2018B Bond who acquires such Series 2018B Bond at a market discount also may be required to defer, until the maturity date of such Series 2018B Bonds or the earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the owner paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry a

Series 2018B Bond in excess of the aggregate amount of interest (including original issue discount) includable in such owner's gross income for the taxable year with respect to such Bond. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Series 2018B Bond for the days during the taxable year on which the owner held the Series 2018B Bond and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the Series 2018B Bond matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the Bondholder elects to include such market discount in income currently as described above.

Bond Premium

A purchaser of a Series 2018B Bond who purchases such Series 2018B Bond at a cost greater than its remaining redemption amount will have amortizable bond premium. If the holder elects to amortize this premium under Section 171 of the Code (which election will apply to all Series 2018B Bonds held by the holder on the first day of the taxable year to which the election applies and to all Series 2018B Bonds thereafter acquired by the holder), such a holder must amortize the premium using constant yield principles based on the holder's yield to maturity. Amortizable bond premium is generally treated as an offset to interest income, and a reduction in basis is required for amortizable bond premium that is applied to reduce interest payments. Purchasers of any Series 2018B Bonds who acquire such Series 2018B Bonds at a premium should consult with their own tax advisors with respect to state and local tax consequences of owning such Series 2018B Bonds.

Surtax on Unearned Income

Section 1411 of the Code imposes a tax of 3.8% on the "net investment income" of certain individuals, trusts and estates for taxable years beginning after December 31, 2012. Among other items, net investment income generally includes gross income from interest and net gain attributable to the disposition of certain property, less certain deductions. U.S. Holders should consult their own tax advisors regarding the possible implications of this legislation in their particular circumstances.

Sale or Redemption of Bonds

A Bondholder's adjusted tax basis for a Series 2018B Bond is the price such owner pays for the Series 2018B Bond plus the amount of original issue discount and market discount previously included in income and reduced on account of any payments received on such Series 2018B Bond other than "qualified stated interest" and any amortized bond premium. Gain or loss recognized on a sale, exchange or redemption of a Bond, measured by the difference between the amount realized and the Bondholder's tax basis as so adjusted, will generally give rise to capital gain or loss if the Series 2018B Bond is held as a capital asset (except in the case of Series 2018B Bonds acquired at a market discount, in which case a portion of the gain will be characterized as interest and therefore ordinary income).

If the terms of the Series 2018B Bonds are materially modified, in certain circumstances, a new debt obligation would be deemed created and exchanged for the prior obligation in a taxable transaction. Among the modifications which may be treated as material are those which related to the redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. The defeasance of the Series 2018B Bonds may also result in a deemed sale or exchange of such Series 2018B Bonds under certain circumstances.

EACH POTENTIAL HOLDER OF SERIES 2018B BONDS SHOULD CONSULT ITS OWN TAX ADVISOR CONCERNING (1) THE TREATMENT OF GAIN OR LOSS ON SALE OR REDEMPTION OF THE SERIES 2018B BONDS, AND (2) THE CIRCUMSTANCES IN WHICH SERIES 2018B BONDS WOULD BE DEEMED REISSUED AND THE LIKELY EFFECTS, IF ANY, OF SUCH REISSUANCE.

Non-U.S. Holders

The following is a general discussion of certain United States federal income tax consequences resulting from the beneficial ownership of Series 2018B Bonds by a person other than a U.S. Holder, a former United States citizen or resident, or a partnership or entity treated as a partnership for United States federal income tax purposes (a "Non-U.S. Holder").

Subject to the discussion of backup withholding and the Foreign Account Tax Compliance Act ("FATCA"), payments of principal by the Issuer or any of its agents (acting in its capacity as agent) to any Non-U.S. Holder will not be subject to federal withholding tax. In the case of payments of interest to any Non-U.S. Holder, however, federal withholding tax will apply unless the Non-U.S. Holder (1) does not own (actually or constructively) 10-percent or more of the voting equity interests of the Issuer, (2) is not a controlled foreign corporation for United States tax purposes that is related to the Issuer (directly or indirectly) through stock ownership, and (3) is not a bank receiving interest in the manner described in Section 881(c)(3)(A) of the Code. In addition, either (1) the Non-U.S. Holder must certify on the applicable IRS Form W-8 (series) (or successor form) to the Issuer, its agents or paying agents or a broker under penalties of perjury that it is not a U.S. person and must provide its name and address, or (2) a securities clearing organization, bank or other financial institution, that holds customers' securities in the ordinary course of its trade or business and that also holds the Series 2018B Bonds must certify to the Issuer or its agent under penalties of perjury that such statement on the applicable IRS Form W-8 (series) (or successor form) has been received from the Non-U.S. Holder by it or by another financial institution and must furnish the interest payor with a copy.

Interest payments may also be exempt from federal withholding tax depending on the terms of an existing Federal Income Tax Treaty, if any, in force between the U.S. and the resident country of the Non-U.S. Holder. The U.S. has entered into an income tax treaty with a limited number of countries. In addition, the terms of each treaty differ in their treatment of interest and original issue discount payments. Non-U.S. Holders are urged to consult their own tax advisor regarding the specific tax consequences of the receipt of interest payments, including original issue discount. A Non-U.S. Holder that does not qualify for exemption from withholding as described above must provide the Issuer or its agent with documentation as to his, her, or its identity to avoid the U.S. backup withholding tax on the amount allocable to a Non-U.S. Holder. The documentation may require that the Non-U.S. Holder provide a U.S. tax identification number.

If a Non-U.S. Holder is engaged in a trade or business in the United States and interest on a Series 2018B Bond held by such holder is effectively connected with the conduct of such trade or business, the Non-U.S. Holder, although exempt from the withholding tax discussed above (provided that such holder timely furnishes the required certification to claim such exemption), may be subject to United States federal income tax on such interest in the same manner as if it were a U.S. Holder. In addition, if the Non-U.S. Holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% (subject to a reduced rate under an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments. For purposes of the branch profits tax, interest on a Series 2018B Bond will be included in the earnings and profits of the holder if the interest is effectively connected with the conduct by the holder of a trade or business in the United States. Such a holder must

provide the payor with a properly executed IRS Form W-8ECI (or successor form) to claim an exemption from United States federal withholding tax.

Generally, any capital gain realized on the sale, exchange, retirement or other disposition of a Series 2018B Bond by a Non-U.S. Holder will not be subject to United States federal income or withholding taxes if (1) the gain is not effectively connected with a United States trade or business of the Non-U.S. Holder, and (2) in the case of an individual, the Non-U.S. Holder is not present in the United States for 183 days or more in the taxable year of the sale, exchange, retirement or other disposition, and certain other conditions are met.

For newly issued or reissued obligations, such as the Series 2018B Bonds, FATCA imposes U.S. withholding tax on interest payments and, for dispositions after December 31, 2018 (see IRS Notice 2015-66), gross proceeds of the sale of the Series 2018B Bonds paid to certain foreign financial institutions (which is broadly defined for this purpose to generally include non-U.S. investment funds) and certain other non-U.S. entities if certain disclosure and due diligence requirements related to U.S. accounts or ownership are not satisfied, unless an exemption applies. An intergovernmental agreement between the United States and an applicable non-U.S. country may modify these requirements. In any event, Bondholders or beneficial owners of the Series 2018B Bonds shall have no recourse against the Issuer, nor will the Issuer be obligated to pay any additional amounts to "gross up" payments to such persons, as a result of any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or government charges with respect to payments in respect of the Series 2018B Bonds.

Non-U.S. Holders should consult their own tax advisors with respect to the possible applicability of federal withholding and other taxes upon income realized in respect of the Series 2018B Bonds.

Information Reporting and Backup Withholding

For each calendar year in which the Series 2018B Bonds are outstanding, the Issuer, its agents or paying agents or a broker is required to provide the IRS with certain information, including a holder's name, address and taxpayer identification number (either the holder's Social Security number or its employer identification number, as the case may be), the aggregate amount of principal and interest paid to that Holder during the calendar year and the amount of tax withheld, if any. This obligation, however, does not apply with respect to certain U.S. Holders, including corporations, tax-exempt organizations, qualified pension and profit sharing trusts, and individual retirement accounts and annuities.

If a U.S. Holder subject to the reporting requirements described above fails to supply its correct taxpayer identification number in the manner required by applicable law or under-reports its tax liability, the Issuer, its agents or paying agents or a broker may be required to make "backup" withholding of tax on each payment of interest or principal on the Series 2018B Bonds. This backup withholding is not an additional tax and may be credited against the U.S. Holder's federal income tax liability, provided that the U.S. Holder furnishes the required information to the IRS.

Under current Treasury Regulations, backup withholding and information reporting will not apply to payments of interest made by the Issuer, its agents (in their capacity as such) or paying agents or a broker to a Non-U.S. Holder if such holder has provided the required certification that it is not a U.S. person (as set forth in the second paragraph under "—Non-U.S. Holders" above), or has otherwise established an exemption (provided that neither the Issuer nor its agent has actual knowledge that the holder is a U.S. person or that the conditions of an exemption are not in fact satisfied).

Payments of the proceeds from the sale of a Series 2018B Bond to or through a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, information reporting (but not backup withholding) may apply to those payments if the broker is one of the following:

- a U.S. person;
- a controlled foreign corporation for U.S. tax purposes;
- a foreign person 50-percent or more of whose gross income from all sources for the three-year period ending with the close of its taxable year preceding the payment was effectively connected with a United States trade or business; or
- a foreign partnership with certain connections to the United States.

Payment of the proceeds from a sale of a Series 2018B Bond to or through the United States office of a broker is subject to information reporting and backup withholding unless the holder or beneficial owner certifies as to its taxpayer identification number or otherwise establishes an exemption from information reporting and backup withholding.

The preceding federal income tax discussion is included for general information only and may not be applicable depending upon a holder's particular situation. Holders should consult their tax advisors with respect to the tax consequences to them of the purchase, ownership and disposition of the Series 2018B Bonds, including the tax consequences under federal, state, local, foreign and other tax laws and the possible effects of changes in those tax laws.

IN ALL EVENTS, ALL INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE SERIES 2018B BONDS.

CONSIDERATIONS FOR ERISA AND OTHER U.S. BENEFIT PLAN INVESTORS

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain fiduciary obligations and prohibited transaction restrictions on employee pension and welfare benefit plans subject to Title I of ERISA ("ERISA Plans"). Section 4975 of the Code imposes essentially the same prohibited transaction restrictions on tax-qualified retirement plans described in Section 401(a) and 403(a) of the Code, which are exempt from tax under Section 501(a) of the Code, other than governmental and church plans as defined herein ("Qualified Retirement Plans"), and on Individual Retirement Accounts ("IRAs") described in Section 408(b) of the Code (collectively, "Tax-Favored Plans"). Certain employee benefit plans such as governmental plans (as defined in Section 3(32) of ERISA) ("Governmental Plans"), and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA) ("Church Plans"), are not subject to ERISA requirements. Additionally, such Governmental and Church plans are not subject to the requirements of Section 4975 of the Code but may be subject to applicable federal, state or local law ("Similar Laws") which is, to a material extent, similar to the foregoing provisions of ERISA or the Code. Accordingly, assets of such plans may be invested in the Series 2018 Bonds without regard to the ERISA and Code considerations described below, subject to the provisions of Similar Laws.

In addition to the imposition of general fiduciary obligations, including those of investment prudence and diversification and the requirement that a plan's investment be made in accordance with the

documents governing the plan, Section 406 of ERISA and Section 4975 of the Code prohibit a broad range of transactions involving assets of ERISA Plans and Tax-Favored Plans and entities whose underlying assets include plan assets by reason of ERISA Plans or Tax-Favored Plans investing in such entities (collectively, "Benefit Plans") and persons who have certain specified relationships to the Benefit Plans ("Parties In Interest" or "Disqualified Persons"), unless a statutory or administrative exemption is available. The definitions of "Party in Interest" and "Disqualified Person" are expansive. While other entities may be encompassed by these definitions, they include, most notably: (1) fiduciary with respect to a plan; (2) a person providing services to a plan; (3) an employer or employee organization any of whose employees or members are covered by the plan; and (4) the owner of an IRA. Certain Parties in Interest (or Disqualified Persons) that participate in a prohibited transaction may be subject to a penalty (or an excise tax) imposed pursuant to Section 502(i) of ERISA (or Section 4975 of the Code) unless a statutory or administrative exemption is available. Without an exemption an IRA owner may disqualify his or her IRA.

Certain transactions involving the purchase, holding or transfer of the Series 2018 Bonds might be deemed to constitute prohibited transactions under ERISA and Section 4975 of the Code if assets of the Issuer were deemed to be assets of a Benefit Plan. Under final regulations issued by the United States Department of Labor (the "Plan Assets Regulation"), the assets of the Issuer would be treated as plan assets of a Benefit Plan for the purposes of ERISA and Section 4975 of the Code only if the Benefit Plan acquires an "equity interest" in the Issuer and none of the exceptions contained in the Plan Assets Regulation is applicable. An equity interest is defined under the Plan Assets Regulation as an interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. Although there can be no assurances in this regard, it appears that the Series 2018 Bonds should be treated as debt without substantial equity features for purposes of the Plan Assets Regulation. This determination is based upon the traditional debt features of the Series 2018 Bonds, including the reasonable expectation of purchasers of Series 2018 Bonds that the Series 2018 Bonds will be repaid when due, traditional default remedies, as well as the absence of conversion rights, warrants and other typical equity features. The debt treatment of the Series 2018 Bonds for ERISA purposes could change subsequent to issuance of the Series 2018 Bonds. In the event of a characterization of the Series 2018 Bonds as other than indebtedness under applicable local law, the subsequent purchase of the Series 2018 Bonds or any interest therein by a Benefit Plan is prohibited.

However, without regard to whether the Series 2018 Bonds are treated as an equity interest for such purposes, though, the acquisition or holding of Series 2018 Bonds by or on behalf of a Benefit Plan could be considered to give rise to a prohibited transaction if the Issuer, the School, the Underwriter or the Trustee, or any of their respective affiliates, is or becomes a Party in Interest or a Disqualified Person with respect to such Benefit Plan.

Most notably, ERISA and the Code generally prohibit the lending of money or other extension of credit between an ERISA Plan or Tax-Favored Plan and a Party in Interest or a Disqualified Person, and the acquisition of any of the Series 2018 Bonds by a Benefit Plan would involve the lending of money or extension of credit by the Benefit Plan. In such a case, however, certain exemptions from the prohibited transaction rules could be applicable depending on the type and circumstances of the plan fiduciary making the decision to acquire a Series 2018 Bond. Included among these exemptions are: Prohibited Transaction Class Exemption ("PTCE") 96-23, regarding transactions effected by certain "in-house asset managers"; PTCE 90-1, regarding investments by insurance company pooled separate accounts; PTCE 95-60, regarding transactions effected by "insurance company general accounts"; PTCE 91-38, regarding investments by bank collective investment funds; and PTCE 84-14, regarding transactions effected by "qualified professional asset managers." Further, the statutory exemption in Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provides for an exemption for transactions involving "adequate consideration" with persons who are Parties in Interest or Disqualified Persons solely by reason of their

(or their affiliate's) status as a service provider to the Benefit Plan involved and none of whom is a fiduciary with respect to the Benefit Plan assets involved (or an affiliate of such a fiduciary). There can be no assurance that any class or other exemption will be available with respect to any particular transaction involving the Series 2018 Bonds, or that, if available, the exemption would cover all possible prohibited transactions.

By acquiring a Series 2018 Bond (or interest therein), each purchaser and transferee (and if the purchaser or transferee is a plan, its fiduciary) is deemed to (a) represent and warrant that either (i) it is not acquiring the Series 2018 Bond (or interest therein) with the assets of a Benefit Plan, Governmental Plan or Church Plan; or (ii) the acquisition and holding of the Series 2018 Bonds (or interest therein) will not give rise to a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or Similar Laws, and (b) acknowledge and agree that a Benefit Plan, Governmental Plan or Church Plan subject to Similar Laws may not purchase the Series 2018 Bonds at any time that the Series 2018 Bonds have been characterized as other than indebtedness for applicable local law purposes. A purchaser or transferee who acquires Series 2018 Bonds with assets of a Benefit Plan represents that such purchaser or transferee has considered the fiduciary requirements of ERISA, the Code or Similar Laws and has consulted with counsel with regard to the purchase or transfer.

In addition, each purchaser and each transferee (and if the purchaser or transferee is a Benefit Plan, its fiduciary) of a Series 2018 Bond that is a Benefit Plan is deemed to represent and warrant that: (a) the decision to acquire the Series 2018 Bonds was made by the plan fiduciary; (b) the plan fiduciary is independent of the Issuer, the Institution, the Manager, the School, the Underwriter or the Trustee; (c) the plan fiduciary meets the requirements of 29 C.F.R. § 2510.3 21(c)(1) and specifically is either a bank as defined in Section 202 of the Investment Advisers Act of 1940 or similar institution that is regulated and supervised and subject to periodic examination by a U.S. state or U.S. federal agency; an insurance carrier which is qualified under the laws of more than one U.S. state to perform the services of managing, acquiring or disposing of assets of a Benefit Plan; an investment adviser registered under the Investment Advisers Act of 1940 or, if not registered as an investment adviser under the Investment Advisers Act by reason of paragraph (1) of Section 203A of the Investment Advisers Act, is registered as an investment adviser under the laws of the U.S. state in which it maintains its principal office and place of business; a broker dealer registered under the Securities Exchange Act of 1934, as amended; or holds, or has under its management or control, total assets of at least $50 million (provided that this clause shall not be satisfied if the plan fiduciary is an individual directing his or her own individual plan account or is a relative of such individual); (d) the plan fiduciary is capable of evaluating investment risks independently, both in general and with regard to particular transactions, and investment strategies, including the purchase or transfer of the Series 2018 Bonds; (e) the plan fiduciary is a "fiduciary" with respect to the plan within the meaning of Section (21) of ERISA, Section 4975 of the Code, or both, and is responsible for exercising independent judgment in evaluating the acquisition, transfer or holding of the Series 2018 Bonds; (f) none of the Issuer, the Institution, the Manager, the School, the Underwriter or the Trustee has exercised any authority to cause the Benefit Plan to invest in the Series 2018 Bonds or to negotiate the terms of the Benefit Plan's investment in the Series 2018 Bonds; and (g) the plan fiduciary has been informed: (1) that none of the Issuer, the Institution, the Manager, the School, the Underwriter or the Trustee are undertaking to provide impartial investment advice or to give advice in a fiduciary capacity in connection with the plan's acquisition or transfer of the Series 2018 Bonds and (2) of the existence and nature of the Issuer, the Institution, the Manager, the School, the Underwriter or the Trustee financial interests in the plan's acquisition or transfer of the Series 2018 Bonds.

None of the Issuer, the Institution, the Manager, the School, the Underwriter or the Trustee is undertaking to provide impartial investment advice or to give advice in a fiduciary capacity in connection with the acquisition or transfer of the Series 2018 Bonds by any Benefit Plan.

Because the Issuer, the Institution, the Manager, the School, the Underwriter or the Trustee or any of their respective affiliates may receive certain benefits in connection with the sale of the Series 2018 Bonds, the purchase of the Series 2018 Bonds using plan assets of a Benefit Plan over which any of such parties has investment authority or provides investment advice for a direct or indirect fee may be deemed to be a violation of the prohibited transaction rules of ERISA or Section 4975 of the Code or Similar Laws for which no exemption may be available. Accordingly, any investor considering a purchase of Series 2018 Bonds using plan assets of a Benefit Plan should consult with its counsel if the Issuer, the Institution, the Manager, the School, the Underwriter or the Trustee or any of their respective affiliates has investment authority or provides investment advice for a direct or indirect fee with respect to such assets or is an employer maintaining or contributing to the Benefit Plan.

Any ERISA Plan fiduciary considering whether to purchase the Series 2018 Bonds on behalf of an ERISA Plan should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment and the availability of any of the exemptions referred to above. Persons responsible for investing the assets of Tax-Favored Plans that are not ERISA Plans should seek similar counsel with respect to the prohibited transaction provisions of the Code and the applicability of any similar state or federal law.

ENFORCEABILITY OF OBLIGATIONS

On the date of delivery of the Series 2018 Bonds, Nixon Peabody LLP, New York, New York, Bond Counsel, will deliver its opinion, dated the date of delivery, that the Series 2018 Bonds, the Loan Agreement, the Bond Purchase Agreement, and the Indenture are valid and legally binding obligations on the Issuer. Perlman & Perlman LLP, New York, New York and Arent Fox LLP, New York, New York, as special counsel to the Institution, will deliver their respective opinions that the various documents to which the Institution is a party are valid and legally binding agreements of the Institution, each enforceable in accordance with its respective terms. Cohen Schneider Law, P.C., New York, New York, as special counsel to the School, will deliver its opinion that the various documents to which the School is a party are valid and legally binding agreements of the School, each enforceable in accordance with its respective terms. Paparone Law, PLLC, as special counsel for the Trustee, will deliver its opinion that the various documents to which the Trustee is a party are valid and legally binding agreements of the Trustee, each enforceable in accordance with its respective terms. The foregoing opinions will be generally qualified to the extent that the enforceability of the respective instruments may be limited by laws, decisions and equitable principles affecting remedies and by bankruptcy or insolvency or other laws, decisions and equitable principles affecting creditors' rights generally.

While the Series 2018 Bonds are secured or payable pursuant to the Indenture, the Loan Agreement, the Mortgage, the Assignment of Lease, the Lease, and the Covenant Agreement, the practical realization of payment from any security will depend upon the exercise of various remedies specified in the respective instruments. These and other remedies are dependent in many respects upon judicial action, which is subject to discretion and delay. Accordingly, the remedies specified in the above documents may not be readily available or may be limited.

LEGAL MATTERS

Certain legal matters incident to the issuance and sale of the Series 2018 Bonds and with regard to the tax-exempt status of interest on the Series 2018A Bonds under existing laws are subject to the legal opinion of Nixon Peabody LLP, New York, New York, as Bond Counsel. Certain legal matters will be passed upon for the Issuer by its General Counsel, for the Institution and the School by their special counsel, Cohen Schneider Law, P.C., and for the Trustee by its special counsel Paparone Law, PLLC,

New York, New York. Quarles & Brady LLP, Milwaukee, Wisconsin, represents the Underwriter in this transaction.

CONTINUING DISCLOSURE

The Institution and the School will enter into a Continuing Disclosure Agreement, dated as of September 6, 2018, between the Institution, the School, and the School Improvement Partnership, as dissemination agent. Neither the Institution nor the School has been subject to any prior continuing disclosure undertakings under the Rule. See "APPENDIX I – FORM OF CONTINUING DISCLOSURE AGREEMENT" in this Limited Offering Memorandum.

The Issuer does not have any obligation with respect to the Continuing Disclosure Agreement. The Issuer will not monitor the compliance by the Institution or the School with the terms of the Continuing Disclosure Agreement.

NOT RATED

The Series 2018 Bonds will not be rated at the time of issuance. Beginning with the first full academic year of School operations in the Facility (expected to commence in fall 2021), the Bondholder Representative shall have the right to seek a credit rating for the Series 2018 Bonds, such initial rating shall be at the expense of the Bondholder Representative. The Institution and the School shall cooperate in good faith in the process of requesting and obtaining such credit rating provided that S&P Global Ratings, Moody's Investor's Service, Inc. or Fitch Ratings (each, a "Rating Agency") provides an indicative rating of "BB" or "Ba2," as applicable, or higher. If more than one Rating Agency provides such an indicative rating, the School and the Institution shall have the right to determine from which Rating Agency Bondholder Representative shall seek a credit rating. If a credit rating is received, the School and the Institution shall maintain such credit rating and shall pay all costs of maintaining such credit rating for so long as the Series 2018 Bonds are outstanding, including but not limited to the fees of the applicable Rating Agency.

RELATIONSHIPS AMONG THE PARTIES

In connection with the issuance of the Series 2018 Bonds, the Issuer, the Institution, the School and the Underwriter are being represented by the attorneys or law firms identified above under the heading "LEGAL MATTERS." In other transactions not related to the Series 2018 Bonds, each of these attorneys or law firms may have acted as bond counsel or represented the Institution, the School, or the Underwriter or their affiliates, in capacities different from those described under "LEGAL MATTERS," and there will be no limitations imposed as a result of the issuance of the Series 2018 Bonds on the ability of any of these firms or attorneys to act as bond counsel or represent any of these parties in any future transactions. Potential purchasers of the Series 2018 Bonds should not assume that the Issuer, the Institution, the School, and the Underwriter or their respective counsel or Bond Counsel have not previously engaged in or will not after the issuance of the Series 2018 Bonds engage in, other transactions with each other or with any affiliates of any of them, and no assurances can be given that there are or will be no past or future relationship or transactions between or among any of these parties or these attorneys or law firms.

ABSENCE OF MATERIAL LITIGATION

The Issuer

There is no action, suit or proceeding or investigation at law or in equity by or before any court, public board or body pending against the Issuer of which the Issuer has notice, or, to the Issuer's knowledge, overtly threatened against the Issuer, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Indenture or the Loan Agreement.

The Institution

No litigation, investigations or proceedings are now pending or, to the best knowledge of the Institution, are any threatened against the Institution which would have a materially adverse effect on the financial condition or operations of the Institution or in any manner challenge or adversely affect the corporate existence or power of the Institution to enter into and carry out the transactions described in or contemplated by, or the execution, delivery, validity or performance by the Institution of the Loan Agreement, the Mortgage, the Assignment of Lease, the Lease, the Continuing Disclosure Agreement, the Tax Regulatory Agreement, the Account Control Agreement, the Debt Service Reserve Fund Agreement, or the Bond Purchase Agreement, as appropriate.

The School

In connection with the issuance of the Series 2018 Bonds, the School has represented that there is no investigation or litigation pending, seeking to restrain or enjoin the issuance or delivery of the Series 2018 Bonds or questioning or affecting the corporate existence or power of the School to enter into and carry out the transactions described in or contemplated by, or the execution, delivery or performance by the School under the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Tax Regulatory Agreement, the Lease, or the Covenant Agreement (the "School Documents"), the legality of the Series 2018 Bonds or the proceedings and authority under which the Series 2018 Bonds are to be issued. There is no litigation pending which in any manner questions the undertaking of the financing by the School or the validity or enforceability of the School Documents.

The Manager

In connection with the issuance of the Series 2018 Bonds, the Manager has represented that there is no investigation or litigation pending, seeking to restrain or enjoin the issuance or delivery of the Series 2018 Bonds or questioning or affecting the corporate existence or power of the Manager to enter into and carry out the transactions described in or contemplated by, or the execution, delivery or performance by the Manager under the Tax Regulatory Agreement, the legality of the Series 2018 Bonds or the proceedings and authority under which the Series 2018 Bonds are to be issued. There is no litigation pending which in any manner questions the undertaking of the financing by the Manager or the validity or enforceability of the Tax Regulatory Agreement.

UNDERWRITING

D.A. Davidson & Co., Denver, Colorado (the "Underwriter") is underwriting the Series 2018A Bonds. On the sale date, the Underwriter will enter into a Bond Purchase Agreement with the Issuer, the Institution, the School, the Bondholder Representative and the initial purchasers pursuant to which the Underwriter will agree to purchase the Series 2018A Bonds subject to certain conditions contained in the Bond Purchase Agreement (including the purchase of the Series 2018A Bonds by the initial purchasers) and to pay to the Trustee the Initial Advance of $17,790,000.00, less the allocable portion of original issue discount of $889,500.00, for an aggregate amount of $16,900,500.00 on the date of issuance of the

Series 2018A Bonds. The Institution has agreed to pay or cause to be paid to the Underwriter an underwriting discount in the amount of $99,126.96.

The Underwriter is also underwriting the Series 2018B Bonds and on the sale date, pursuant to the Bond Purchase Agreement, the Underwriter will agree to purchase the Series 2018B Bonds subject to certain conditions contained in the Bond Purchase Agreement (including the purchase of the Series 2018B Bonds by the initial purchasers) and to pay to the Trustee the purchase price of $1,439,976.96, which amount represents the principal amount of the Series 2018B Bonds ($1,980,000.00), less the Underwriter's discount of $441,023.04, and less an original issue discount of $99,000.00.

The Bond Purchase Agreement also provides that the Institution will pay miscellaneous out-of-pocket expenses of the Underwriter. Expenses associated with the issuance of the Series 2018 Bonds are being paid by the Institution from proceeds of the Series 2018 Bonds. The right of the Underwriter to receive compensation in connection with the Series 2018 Bonds is contingent upon the actual sale and delivery of the Series 2018 Bonds. The initial offering prices set forth on the inside front cover hereof may be changed from time to time by the Underwriter. The Underwriter reserves the right to join with dealers and other investment banking firms in offering the Series 2018 Bonds to the public. The Institution has agreed under the Bond Purchase Agreement to indemnify the Underwriter and the Issuer against certain liabilities, including certain liabilities under federal and state securities laws.

THE TRUSTEE

The Issuer has appointed The Bank of New York Mellon, New York, New York to serve as Trustee. The Trustee is a banking corporation organized and existing under the laws of the State of New York, having all of the powers of a bank, including fiduciary powers, and is a member of the Federal Deposit Insurance Corporation and the Federal Reserve System. The Trustee is to carry out those duties assignable to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Limited Offering Memorandum and assumes no responsibility for the nature, contents, accuracy, fairness or completeness of the information set forth in this Limited Offering Memorandum or for the recitals contained in the Indenture or the Series 2018 Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the Issuer of any of the Series 2018 Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such Series 2018 Bonds by the Institution. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Series 2018 Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Series 2018 Bonds, or the investment quality of the Series 2018 Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

The mailing address of the Trustee is 240 Greenwich Street, Floor 7W, New York, New York 10286, Attention: Corporate Trust Administration.

MISCELLANEOUS

The foregoing does not purport to be comprehensive or definitive, and all references to any document herein are qualified in their entirety by reference to each such document. All references to the Series 2018 Bonds are qualified in their entirety by reference to the forms thereof and the information with respect thereto included in the aforesaid documents. Copies of these documents are available for inspection during the period of the offering at the offices of the Underwriter in Denver, Colorado and

thereafter at the principal corporate trust office of the Trustee. In addition to certain information provided herein, all information contained in Appendices A, B, C and D, along with information regarding the Budget Projection and projected debt service coverage under the caption "SUMMARY INFORMATION," has been provided by the Institution or the School or been derived from information provided by the Institution or the School. The Underwriter makes no representations or warranties as to the accuracy or completeness of the information in any of the Appendices.

No Registration of the Series 2018 Bonds

Registration or qualification of the offer and sale of the Series 2018 Bonds (as distinguished from registration of the ownership of the Series 2018 Bonds) is not required under the Securities Act. THE INSTITUTION ASSUMES NO RESPONSIBILITY FOR QUALIFICATION OR REGISTRATION OF THE SERIES 2018 BONDS FOR SALE UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THE SERIES 2018 BONDS MAY BE SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED.

Interest of Certain Persons Named in this Limited Offering Memorandum

The fees to be paid to counsel to the Institution and the School, counsel to the Underwriter, the Trustee, counsel to the Trustee, and the Underwriter are contingent upon the sale and delivery of the Series 2018 Bonds.

Additional Information

The summaries of or references to constitutional provisions, statutes, resolutions, agreements, contracts, financial statements, reports, publications and other documents or compilations of data or information set forth in this Limited Offering Memorandum do not purport to be complete statements of the provisions of the items summarized or referred to and are qualified in their entirety by the actual provisions of such items, copies of which are either publicly available or available upon request and the payment of a reasonable copying, mailing and handling charge from the Underwriter, 1550 Market Street, Suite 300, Denver, CO 80202.

Limited Offering Memorandum Certification

The Institution, the School and the Issuer have authorized and approved the use and distribution of this Limited Offering Memorandum. The Issuer has not reviewed or approved any matters herein and assumes no responsibility for the accuracy or completeness of the information herein except for the information under the captions "THE ISSUER" and "ABSENCE OF MATERIAL LITIGATION – The Issuer" (the "Issuer's Portion") in this Limited Offering Memorandum.

The preparation of this Limited Offering Memorandum and its distribution has been authorized by the Institution and the School. This Limited Offering Memorandum is not to be construed as an agreement or contract between the Institution or the School and any purchaser, owner or holder of any Series 2018 Bond.

Certification

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FRIENDS OF HEBREW PUBLIC BORROWER, LLC

By: _____

Its: _____

HEBREW LANGUAGE ACADEMY CHARTER SCHOOL 2

By: _____

Its: _____

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Certification

The preparation of this Limited Offering Memorandum and its distribution have been authorized by the Institution, the School and the Issuer (but only with respect to the Issuer's Portion of the Limited Offering Memorandum). This Limited Offering Memorandum is not to be construed as an agreement or contract among the Institution, the School or the Issuer and any purchaser, owner or holder of any of the Series 2018 Bonds.

FRIENDS OF HEBREW PUBLIC BORROWER, LLC

By: _____

Its: _____

HEBREW LANGUAGE ACADEMY CHARTER SCHOOL 2

By: _____

Its: VICE CHAIR

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APPENDIX A

HEBREW LANGUAGE ACADEMY CHARTER SCHOOL 2

APPENDIX A

HEBREW LANGUAGE ACADEMY CHARTER SCHOOL 2

INTRODUCTION

General

The School. Hebrew Language Academy Charter School 2 (the "School" or "HLA2") was incorporated in the State of New York (the "State") in November, 2016. It is organized pursuant to Article 56 of New York Education Law (the "Charter Schools Act") as a not-for-profit education corporation. The School is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") which is exempt from federal income taxation under Section 501(a) of the Code (except with respect to "unrelated business taxable income" within the meaning of Section 512(a) of the Code) and which is not a "private foundation" as defined in Section 509(a) of the Code. The School operates as a New York not-for-profit education corporation and as such is governed by the law applicable to such entities and its Charter and bylaws. The School's bylaws provide that the School is managed and controlled by a Board of Trustees.

The School is located within the boundaries of New York City Community School District 21 (the "CSD 21") in Brooklyn, New York and is modeled in part after two other charter schools located in New York: Hebrew Language Academy Charter School ("HLA") which was opened in 2009 and located in New York City Community School District 22; and Harlem Hebrew Language Academy Charter School ("HHLA") which was opened in 2013 and is located in New York City Community School District 3. The School is not a borrower under or a party to the Loan Agreement or the Promissory Notes and will not be obligated to make payments under the Loan Agreement or pay debt service on the Series 2018 Bonds. However, the School will lease the Facility (as defined below) from Friends of Hebrew Public Borrower, LLC (the "Institution") under the terms of the Lease (as defined below) and amounts payable by the School to the Institution under the Lease are anticipated to be sufficient to pay all scheduled debt service on the Series 2018 Bonds. Upon completion of construction of the Facility for the 2020-21 school year, it is expected that the School will serve children from kindergarten through fourth grade, and kindergarten through fifth grade in each year thereafter.

The Institution. The Institution was formed in March, 2018, as a Delaware limited liability company whose initial sole member is the National Center for Hebrew Language Charter School Excellence and Development, Inc., a Delaware nonstock corporation (the "Manager" or "Hebrew Public"). The Institution has elected to be treated as a "disregarded entity" under the Code. Pursuant to the Institution's limited liability company agreement, the Institution was formed exclusively to engage in certain charitable and nonprofit educational activities within the meaning of Section 501(c)(3) of Code. It is organized to operate exclusively in furtherance of the stated educational and other charitable purposes of its member, specifically with respect to the School, including acquiring the Land, constructing the Facility and leasing the Facility to the School. See "PLAN OF FINANCE" and "THE INSTITUTION" in this Limited Offering Memorandum.

The Manager. The Manager was formed on January 16, 2009, as a Delaware non-stock corporation organized for the purpose of pursuing charitable purposes within the meaning of Section 501(c)(3) of the Code including the promotion and advancement of education through various means, including, without limitation, working with local communities, charter authorizers and other stakeholders to establish and support diverse public charter schools that teach modern Hebrew to children of all backgrounds and teach children to be successful citizens. It is anticipated that the Manager's interest as sole member of the Institution will be transferred to Friends of Hebrew Public, Inc. (the "Organization") upon determination by the Internal Revenue Service that the Organization is an organization described in Section 501(c)(3) of the Code . After such transfer, the Organization will be and remain the sole member of the Institution. Neither the Manager nor the Organization will not be a borrower under, or a party to, the Loan Agreement or the Promissory Notes and will not be obligated to make payments under the Loan Agreement or pay debt service on the Series 2018 Bonds. See "THE MANAGER" herein.

Public Outreach to Determine Need

Since late 2013, individuals involved in forming the School, together with the Manager, engaged a wide variety of CSD 21 stakeholders regarding the educational and programmatic needs of students in the community, focusing on designing the School's curriculum to meet those needs. The following is a summary of certain of the outreach performed:

1. Created a website containing information about the School, including a downloadable brochure, and an on-line survey that allowed for community input and comment.

2. Hosted parent information sessions at preschool programs to seek their input and support in addition to providing them with details about the School's academic program.

3. Hosted information meetings for the general public in CSD 21 for the purpose of informing a wide range of stakeholders about the plans for the School and seek their input and support.

4. Engaged elected officials representing CSD 21, including from the Brooklyn Borough President's Office, City Council, NYS Senate and Assembly and US Congress.

5. Send e-mails and letters to preschool directors in the community providing them with electronic versions or hard copies, respectively, of the School brochures and surveys to distribute to their parent body.

6. Provided flyers with information about the School, its website and survey which were posted in a variety of housing complexes in the community.

7. HLA was also supporting the School's outreach efforts by placing a link to the School's website on its social media outlets.

8. Robocalls were placed to almost 500 residents in targeted zip codes requesting that they rate the importance of School's key design elements (which are set forth below).

The School believes that the key design elements resonated with the community based on the feedback received from the information sessions, general community meetings, meetings with elected officials and survey responses. On the survey when parents were asked to indicate what school features are important to them and if there were suggestions they had to help the School build a school of excellence, the vast majority of suggestions given were already elements of the School's model and expected culture (chess, music, instructional strategies and staffing for English Language Learners, a school community that promotes cultural diversity and promotes tolerance and mutual understanding). Feedback from stakeholders with whom the School representatives met also supported its key design elements.

The Charter Contract

The School operates pursuant to its Charter (as defined in "THE SCHOOL" in this Limited Offering Memorandum) authorized by the New York State Education Department (the "Authorizer") and approved by the Board of Regents of the University of the State of New York, for and on behalf of the State Education Department (the "Board of Regents"). The Charter governs such matters as the School's authority to operate, student performance, financial management, governance and operations. Pursuant to the Charter Schools Act, the term of a charter cannot exceed five years and therefore must be renewed periodically. On November 15, 2016, the Board of Regents approved the School's application for establishment of a charter school pursuant to §2851 and §2852(9-a) of the Charter Schools Act (the "Application") and granted the initial Charter for a term of five years. The School intends to take the necessary steps to ensure that the Charter will be renewed by the Authorizer and the Board of Regents pursuant to applicable law in a timely fashion to ensure uninterrupted operation of the School.

Mission and Objectives

Mission. It is the School's mission to provide its students with the foundation necessary to successfully pursue advanced studies and achieve continued personal growth as ethical and informed global citizens. The School will offer an academically rigorous K-5 grade curriculum, which includes immersive instruction in Modern Hebrew for part of each day. It is also part of the School's mission to serve a diverse student body which it believes will also develop a strong sense of social and civic responsibility through the integration of service learning across the curriculum.

Objectives. The fundamental objective of the School is to prepare its students academically and personally to reach their full potential in life. In order to achieve its overarching objective, the School will attempt to ensure that:

- Students will be proficient readers, writers and speakers of the English language.
- Students will demonstrate competency in their understanding and application of mathematical computation and problem solving.
- Students will be knowledgeable about U.S. History, N.Y. History, World History and geography and the fundamental concepts of our democracy.
- Students will become proficient in their understanding and use of science, including physical and life sciences, and scientific concepts, including analysis, inquiry and design.
- Students will become proficient speakers, readers and writers of Hebrew.
- Students will embody the principles of good citizenship, responsibility, respect for self and others, and service to others.

Academic Approach

General. To achieve its mission, the School will offer:

Rigorous instruction, including increased time on task, a readers/writers workshop/gradual release of responsibility approach, co-teaching, targeted instructional supports for students at risk, and Modern Hebrew language instruction, through a partial immersion approach;

Socio-economic, racial/ethnic, and linguistic diversity, deeply valued across the Hebrew Public network of schools;

High-quality professional development, and career pathways, to support the effectiveness and retention of the School's instructional staff members; and

Service learning across the curriculum to reinforce values of cross-cultural communication, empathy, citizenship, community and social responsibility.

Key Design Elements. The following are aspects of the School's key academic design elements which are closely aligned to its mission:

Increased Time on Task: The School intends to offer an extended school day and year (185 days of school). Students will benefit from 5 more days of school each year and 60 more minutes each school day than the traditional public schools. The School believes that the increased time will ensure that students, especially those at-risk of academic failure, can meet proficiency standards. The School will use the additional instructional time to maximize the amount, and vary the approaches to, academic learning in core subjects and enrichment courses.

Gradual Release of Responsibility/Workshop Model: The School will use Graduate Release of Responsibility ("GRR") as its overarching instructional model and Columbia University's Teachers College Readers and Writers Workshop ("RWW"), a balanced literacy approach, as the core model for English Language Arts ("ELA") instruction. The School believes that both encourage higher level thinking by challenging students to engage in analyzing, evaluating and creating; they also both support the underlying premise of teaching for understanding, promoted by Wiggins and McTighe's *Understanding by Design* approach. GRR and RWW shift the cognitive load slowly and purposefully so students gradually assume increasing responsibility for their learning and become competent, independent learners. GRR and RWW also allow teachers to differentiate instruction by using comprehensive and ongoing formal and informal assessment data to identify students' needs, tailor instruction and determine flexible small group composition.

Co-Teaching: The School believes that co-teaching will manifest itself through strategic scheduling at the school level that ensures Readers Workshop and Math in particular are co-taught. This will either take the form of integrated co-teaching classes, with a team of two general studies teachers and a special education teacher, or a non-integrated co-teaching classroom with two general studies teachers. In Hebrew class, students will benefit from a Hebrew instructional team supporting small-group differentiated instruction in Hebrew. This co-teaching model allows teachers to work together in a variety of formats, facilitates a greater level of differentiated instruction and small group instruction in classes of heterogeneous learners.

Instructional Supports for Students at Risk: GRR, RWW and the co-teaching model support differentiated instruction addressing the needs of all students, including at-risk students.

Hebrew Language Instruction: An integral part of the School's mission is the study of Modern Hebrew, a language undergoing a contemporary revival. Studying Modern Hebrew offers students the opportunity to learn and understand a second language and to witness its growing use across varied communities. Research points to the advantages children gain when they begin the study of a foreign language at an early age, not least of which is their development as bilingual, bi-literate, and cross-culturally competent, better preparing them to be active participants in the global community.

Socio-Economic, Racial/Ethnic, and Linguistic Diversity. Core to the School's mission is the creation of a school that is racially and economically integrated, with significant linguistic and special needs diversity. NYC's public schools are among the most segregated in the nation, with black and Latino students in particular attending in large proportions schools that are "hyper-segregated." The School believes that as a school of choice, when thoughtfully designed, located, and marketed, charter schools can achieve levels of integration and diversity that are difficult for district schools to achieve. The Manager has demonstrated success in achieving diversity in its New York City schools shown in Table A-6 below.

Academic Focus

Students at the School will experience an academic program focused on literacy, social studies, and math and science. Students will study literacy through the Wilson Fundations® and Close Reading for Meaning program, which provides research-based materials and strategies for reading, spelling, and handwriting. The Close Reading for Meaning approach gives students the tools to understand both the literal and deeper meaning of any nonfiction or fiction text, examine craft and structure, and develop evidence-based ideas. Students will work in small groups based on their current skill levels. Students also use Compass Learning, a web-based program that creates a personalized learning path for each student.

For social studies, students will use the MyWorld social studies curriculum, published by Pearson Education, which uses a variety of integrated learning experiences to activate prior knowledge and help students understand "big ideas" as they relate to essential questions. The School believes that learning comes alive through storytelling, literacy instruction, and flexible resources. Stories from the world will engage students and help develop thoughtful, literate citizens. Lessons apply inquiry processes, practice reading and writing, and involve collaboration and communication skills. Blended learning experiences include an interactive Student Worktext and digital courseware. Aligned with the New York standards for social studies and the common core, the curriculum is infused with Hebrew, as the School's teacher teams co-teach this subject in both languages.

The study of mathematics at the School will consist of the rigorous program Eureka Math, a carefully sequenced program that is aligned to the New York State learning standards. Each grade will consist of in-depth modules that promote the three instructional shifts in mathematics: Focus, Coherence, and Rigor. Each module includes strong classroom reasoning, extensive problem sets, and high expectations for mastery. The Standards for Mathematical Practices are also incorporated within each module. Instruction is provided through both whole group and small group instruction, as well as independent practice for students. Teachers also plan for rich classroom discourse that provides opportunities for students to share and discuss their reasoning as well as discuss the reasoning of their classmates. Meanwhile, science is taught through the use of the program Science Dimensions. This program is aligned to the transition of the New York State science learning standards to the Next Generation Science Standards. Instruction consists of the three distinct and equally important dimensions to learning science that build a cohesive understanding of the subject as indicated by the Next Generation Science Standards: Practices, Crosscutting Concepts, and Disciplinary Core Ideas. Instruction takes place through a balance of hands on learning and digital learning taught through whole group and small group instruction, as well as through independent practice for students.

Student Achievement Data

The School requires all students to take the Measures of Academic Progress ("MAP") assessment three times annually in literacy and mathematics - once in the Fall, Winter, and Spring of each school year. The MAP is a nationally normed, State approved, computerized adaptive assessment tool, offering age appropriate content that adjusts up or down in difficulty depending on the student's response to the previous question. After each testing session, each student's individual results are reviewed to determine the student's

academic strengths and areas of growth. The table below demonstrates the results of the MAP tests taken in the Fall and Winter of 2017.

TABLE A-1: MAP RESULTS FOR 2017-18

Reading	Mathematics
Across K and 1st grade, students moved on average 3 percentile points from Winter to Spring improving their ranking as compared to their national peers.	Across K and 1st grade, students moved up 6 percentile points from Winter to Spring improving their ranking as compared to their national peers.
The School increased students on grade level by 7 percentage points from Winter to Spring.	The School increased the number of students on grade level by 11 percentage points from Winter to Spring.
From Fall to Spring the School met the national norm rate of growing 17 RIT* points over the year with some students moving up as much as 55 RIT points.	From Fall to Spring the School grew 21 RIT points over the year surpassing the national norm rate of growing 19 RIT points. Some students grew as much as 52 RIT points.

Source: The School.

*RIT denotes Rasch Unit, which is a measurement scale developed to simplify the interpretation of the of the test scores.

Service Area

The School serves students predominately in Brooklyn's CSD 21. At the time of the submittal of the School's charter application, CSD 21 reflected a racial, economic and language diversity sought by the School. According to the 2016-17 NYS District Report Card, CSD 21 was comprised of 16% Black, 25% Hispanic, 25% Asian/Native Hawaiian/Other Pacific Islander and 32% White students; 64% qualified for free- or reduced-priced lunch ("FRL"); 18% were English Language Learners ("ELL"); and 19% were designated as students with learning disabilities According to the 2016-17 NYS District Report Card; the top five home languages for CSD 21 students for the K-5 grade span were Spanish, Chinese, Russian, Urdu and Uzbek.

According to information provided by 2016-17 NYS District Report Card for CSD 21, on the 2017 ELA assessment, only 28% of Grade 3-8 students were proficient and the achievement gap between at-risk groups and their non-at-risk peers is wide. Only 8% of ELLs were proficient versus 32% of English proficient ("EP") students; 9% of students with learning disabilities versus 30% of general education students; 26% of the economically disadvantaged ("ED") students versus 36% of non-ED students, and 17% of black and 26% of Hispanic students versus 47% of Asian and 34% of white students. The results on the 2017 NYS Math assessment was similar, 31% of all students were proficient while the disaggregated data showed persistence of the achievement gap: 7% of ELLs, 36% of EP, 18% of students with learning disabilities, 33% of general education, 30% of ED students, 35% of non-ED students, and 14% of black, 27% of Hispanic, 53% of Asian and 45% of white students were proficient. Based on a model that supports student achievement, the School believes that it will be an important CSD 21 charter school option where only two K-5 charter schools currently exist, namely, Coney Island Preparatory Charter School and Success Academy in Bensonhurst.

Based on the information and support the School received from parents and entities connected to families of school-age children in CSD 21, the School believes there is evidence of the existence of a number of eligible applicants for the School to ensure ongoing adequate enrollment. Further, the existing elementary

charter schools in the CSD 21 have experienced significant demand for seats in their schools. According to information received by the School relating to two of its geographically competing schools, demand for an elementary school such as the School remains high. Coney Island Preparatory Charter School has indicated that its waitlist numbers for the 2018-19 school year for Grades K, 1 and 2 are 430, 284 and 223, respectively. In addition, it is the School's belief that Success Academy in Bensonhurst has significant numbers of students on their waitlists. The School also believes that adequate enrollment demand exists based upon the parental demand in the CSD 21 for HLA, which is located in CSD 22. HLA received 56 applicants for Grade K and 20 applicants for Grade 1 from the CSD 21 for the 2016-17 school year even though there was no possibility of out of district applicants gaining enrollment in the school and all recruitment efforts were limited to CSD 22.

THE MANAGER

General

Hebrew Public, a Delaware nonstock, not for profit corporation and an exempt organization described in Section 501(c)(3) of the Code, manages the operations of the School pursuant to an Academic and Business Services Agreement (the "Management Agreement"). Hebrew Public currently manages three schools in New York City: Hebrew Language Academy in CSD 22; Harlem Hebrew Language Academy in CSD 3; and the School (HLA2) in CSD 21. The table below shows the schools managed by the Manager.

School Name	State	Projected Enrollment (as of September 2018)	Projected Grades Served (as of September 2018)
Hebrew Language Academy Charter School 2	NY	240	K-2
Harlem Hebrew Language Academy Charter School	NY	500	K-6
Hebrew Language Academy Charter School	NY	730	K-8

The Management Agreement

In accordance with the terms and conditions of the Management Agreement, the Manager receives 10.0% of gross revenues (excluding State Facilities Aid and certain other funding streams) received by the School in return for providing the School with all oversight, educational and administrative services necessary for operating the School in accordance with the Charter, including day-to-day oversight of School management in consultation with the School leadership. The initial term of the Management Agreement ends on June 30, 2022 subject to renewal simultaneously with the renewal of the Charter. Pursuant to the terms of a Subordination of Management Agreement, dated as of September 1, 2018 (the "Subordination Agreement"), from the School and the Institution to the Trustee and acknowledged by the Manager, the Institution and the Manager have agreed to subordinate the payment of the Manager's fees under the terms of the Management Agreement to payment by the School of the rent payments required under the Lease and payment of the Institution's obligations under the Loan Agreement.

Pursuant to the Management Agreement, the Manager provides support to the School in the following areas:

- Education and Instruction-Related Services
- Financial Oversight and Budgeting Support
- Business Operations
- Human Resources
- Governance
- Recruitment
- Professional Support and Collaboration
- Leadership Development and Support

- Educational and Industry Research and Program Evaluation
- Marketing and Communications

Manager Key Personnel

Certain information regarding key personnel of the Manager is set forth below.

Officers

Sara Bloom - Chair. Sara Bloom, is the Chair of the Manager. She is also the Chair of the Board of Trustees of the Hebrew Language Academy Charter School in Brooklyn, New York and the Board of Trustees of the Harlem Hebrew Language Academy Charter School in Harlem, New York. From 2004 to 2008, Ms. Bloom was a weekly columnist for The New York Sun focusing on raising children in New York City. She has been a regular guest on CBS Morning News and FOX News, as well as a frequent guest lecturer at local schools and community centers throughout the city. Before serving as Chair of the Manager, she was the Features Editor, and subsequently the News Editor at the Forward, America's national Jewish newspaper. From 2002 to 2005, Ms. Bloom chaired the board of one of the eight centers of the 92nd Street Y, the Makor/Steinahrdt Center. She also currently serves on the Board of Directors of The Steinhardt Foundation for Jewish Life and the Board of Trustees of the Areivim Philanthropic Group. She graduated magna cum laude from Columbia University, where she studied history.

Diane Troderman - Vice-Chair. Diane Troderman has been her husband Harold Grinspoon's active partner in all of his philanthropic activities. They are deeply committed to charitable giving, primarily in the Jewish world. Through the Harold Grinspoon Charitable Foundation, a private family foundation established in 1986, Harold and Diane support work in areas that:

- Encourage young people to reach their academic and leadership potential
- Promote literacy and early childhood education
- Reward excellence in teaching and education
- Support entrepreneurship among young people
- Promote education and health in Cambodia

Both Mrs. Troderman and Mr. Grinspoon are founding partners in the Partnership for Excellence in Jewish Education (PEJE). They have been active for many years on the board of Hillel: The Foundation for Jewish Campus Life. Mrs. Troderman also served as chairperson of the Jewish Education Service of North America (JESNA) and as a founder of the Hadassah International Research Institute on Jewish Women at Brandeis University. Mrs. Troderman earned a Bachelor's of Arts degree from Wheaton College (Norton, MA) and a Master's of Business Administration from American International College, Springfield, MA.

Adam Semler - Treasurer. Adam Semler joined York Capital Management, LLC, an investment management fund, in 1995 and held several positions with the firm, most recently holding the position of chief operating officer and member of its managing partner until he retired in December 2011. While at York Capital Management, he was responsible for all financial operations of the firm. During this time, he also served as chief financial officer and secretary of York Enhanced Strategies Fund, LLC, a closed ended equity mutual fund. Previously, he was at Granite Capital International Group, an investment management firm, where Mr. Semler was responsible for the accounting and operations function for its equity products. He also previously worked as a senior accountant at Goldstein, Golub, Kessler & Co., where Mr. Semler specialized in the financial services industry, as well as a senior accountant at Berenson, Berenson, Adler. He is a C.P.A. charter holder. Mr. Semler earned a Bachelor's of Business Administration from Emory University.

Board of Directors

The Manager's bylaws provide for a Board of Directors. The Board of Directors consists of no less than seven (7) directors. The Board of Directors consist of directors who are elected by the Board of Directors by a majority vote of the directors in attendance at any duly called election meeting. Directors of the Board of Directors serve one initial two-year term and thereafter may be elected for successive two-year terms and serve until the election of his or her successor or until such Director shall earlier die, resign, or be removed.

TABLE A-2: BOARD OF DIRECTORS

Name	Position	Current Employer	Position
Sara Bloom	Chair	Not applicable	Not applicable
Diane Troderman	Vice Chair	Not applicable	Not applicable
Rev. Karim Camara	Director	NY Governor's Office of Faith-based Community Development	Executive Director,
Diana Delgado	Director	Macquarie Holdings	Vice President of Corporate Governance
Amy Feinblatt	Director	SoLux Printing	Representative
Allyson Galishoff	Director	Not applicable	Not applicable
Caroline Greenwald	Director	Schoenfeld Asset Management	Partner
Hillary Leibowitz	Director	Not applicable	Not applicable
Richard Shuster	Director	WPG Partners	Managing Director
Adam Semler	Treasurer	Not applicable	Not applicable
Dorothy Tananbaum	Director	Not applicable	Not applicable
Meredith Verona	Director	Not applicable	Not applicable
Thom Waye	Director	Sigma Capital Partners	Managing Partner
Eli Weiss	Director	Joy Construction	Managing Vice President
Judy Winitzer	Director	Live Nation Entertainment	Vice President of Account Management
Noemi Zibuts	Director	Citigroup	Managing Director, Product Control
Jon Rosenberg	Secretary (Ex- Officio)		Not applicable

Key Staff

Jon Rosenberg – President & CEO. Mr. Rosenberg is an experienced social sector leader, education program developer, and civil rights lawyer. Before joining Hebrew Public as the President and CEO, he served as CEO of Repair the World, as executive director of Roads to Success, and in senior staff roles at Edison Schools Inc., The Children's Aid Society, and the U.S. Department of Education's Office for Civil Rights. Mr. Rosenberg began his legal career as a public defender at The Legal Aid Society. He is an active volunteer in the Montclair School District, where he and his family live, and serves on the boards of Ascend Learning, the National Center for Special Education in Charter Schools, and the National Coalition of Diverse Charter Schools. Mr. Rosenberg is a past-chair of the New York City Bar Association's Committee on Education and the Law. A graduate of Columbia Law School, he holds a bachelor's degree from the University of Pennsylvania.

Shane Goldstein Smith – Chief Schools Officer. In her role at Hebrew Public, Ms. Smith oversees the organization's support for its dual-language charter schools in the Greater New York area, including Hebrew Language Academy in Brooklyn, Harlem Hebrew Language Academy, as well as other schools being planned for the region. Before joining Hebrew Public in May 2015, Ms. Smith served for more than a decade in the Chicago Public Schools. She served as deputy chief of schools for the district; as the senior manager of performance management; as a principal at both Haines Elementary and The Ogden International School of Chicago; and as a social science teacher and department chair for Whitney M. Young Magnet High School. She has also served as adjunct professor at Northwestern University's School

of Education and Social Policy. She earned an EdD in educational leadership from National-Louis University in Chicago; a master's degree in education from Northwestern University in Evanston, Ill.; and a bachelor's degree in communications and history at Miami University in Oxford, Ohio.

Elly Rosenthal – Chief Financial Officer. Prior to joining Hebrew Public in May 2014, Ms. Rosenthal spent 18 years as CFO and chief administrative financial officer of Proskauer Rose LLP, a global law firm with over 700 attorneys. Ms. Rosenthal brings extensive financial and operational expertise from the private sector. She began her career in public accounting with the "Big 4" accounting firm of KPMG. The seven years spent there provided Ms. Rosenthal with a very strong foundation that jump-started her ensuing successful career. She rose to senior manager and spent four years in the Higher Education and Other Not Profits department where she managed numerous not for profit audits in a variety of areas. After public accounting, Ms. Rosenthal entered the law firm arena where she honed her financial and operational skills as controller of Finley Kumble Wagner, director of finance and administration of Morrison Cohen LLP, director of finance of Stroock & Lavan, and then Proskauer. She holds a Bachelor's of Science in Accounting from Brooklyn College and is currently on the board of the Jewish Federation of Monmouth County in New Jersey.

Valerie Khaytina- Chief External Officer. Ms. Khaytina is a development professional with a wealth of experience in global and domestic nonprofit organizations. Ms. Khaytina's expertise includes major giving, annual campaigns, planned giving and endowments, family and youth philanthropy, board relations, online giving and public speaking. She holds a Master's degree in Nonprofit Management from City University of New York, and is involved in various volunteer projects, including serving as a treasurer of COJECO, a New York-based organization for Russian-Jewish immigrants.

Kim Kassnove - Chief Talent Officer. Prior to joining Hebrew Public, Ms. Kassnove worked for New Classrooms as the Director of Growth and Expansion. In this role, she supported schools and districts to transform their classrooms into personalized learning environments. Ms. Kassnove also worked for Newark Public Schools as the Executive Director of Staffing and Recruitment and led that team from 2013-2016. Ms. Kassnove has a Master's degree in Education from Pace University and a Bachelor's degree in Theater from Tufts University.

THE PLAN OF FINANCE, THE FACILITY AND THE PROJECT

The Plan of Finance

Use of Proceeds of the Series 2018 Bonds. Proceeds of the Series 2018 Bonds will be used by the Institution for the purposes of funding: (i) (a) the acquisition of an approximately 17,425 square foot parcel of land located at 166 Kings Highway, Brooklyn, New York (the "Land"), (b) the demolition of the existing improvements on the Land, and (c) the construction of and furnishing and equipping of an approximately 34,570 square foot building to be comprised of three above-ground stories for general classroom and administrative use and a cellar with mechanical equipment, together with related site improvements (the "Facility"); (ii) the payment of capitalized interest; (iii) the funding of a portion of the Debt Service Reserve Fund Requirement; and (iv) the payment of certain costs of issuing the Series 2018 Bonds (collectively, the "Project").

Facility Lease

The Institution and the School will enter into a Lease (the "Lease") pursuant to which the School will lease the Facility from the Institution and the School will conduct school operations at the Facility. The initial term of the Lease begins as of August 29, 2018 and extends to June 30, 2062. See "THE PROJECT AND PLAN OF FINANCE" and "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS - Lease" in this Limited Offering Memorandum for further description of the Project and the Lease. See also "APPENDIX G - FORM OF LEASE" in this Limited Offering Memorandum.

The Facility Acquisition

On March 29, 2018, the Organization entered into a Contract of Sale - Office, Commercial and Multi-Family Residential Premises (the "Sale Contract") with 166 King Rio LLC (the "Seller") for the Facility, pursuant to which the Organization agreed to purchase, and the Seller agreed to sell, the Facility at a purchase price of $9,042,000.00. The Organization has assigned its rights under the Sale Contract to the

Institution. The Institution will lease the Facility to the School for use as a public charter elementary school, pursuant to the terms of the Lease. The Seller is unrelated to the Institution or the School or any of their respective employees or officers and no Institution or School employee or officer has any interest in the Seller.

Environmental Report

As part of its diligence for the acquisition of the Facility, the Institution commissioned a Phase I Environmental Site Assessment (the "Phase I") for the Facility. The Phase I, dated May 1, 2018, was conducted by PVE, New York, New York ("PVE").

The Phase I did not identify any Controlled Recognized Environmental Conditions ("CREC") or Historical Recognized Environmental Conditions for the site of the Facility. The Phase I identified the following recognized environmental conditions ("REC") located near the Facility site:

1. The historical use of the subject property consisted of a car wash from at least 1968 until 1976, and four underground gasoline storage tanks were depicted on the northwest portion of the site in 1930 and 1950. The mishandling or release of petroleum products from these tanks and in facilities such as these have the potential to contaminate soil and/or groundwater and potentially soil vapor quality at the subject property.

2. Historical and current uses of properties adjoining and nearby the subject property (dry cleaner and auto repair station) are considered a REC. Specifically, two auto repair shops located 269 feet and 282 feet to the northwest of the subject property, and a dry cleaning facility located 305 feet to the west of the subject property. The mishandling or release of chemicals used in facilities such as these have the potential to contaminate soil and/or groundwater and ultimately soil vapor quality at the subject property, creating a potential vapor intrusion condition.

Even though the Phase I did not show any evidence of contamination on the property on which the Facility will be located, claims for material costs associated with hazardous materials may arise during the term of the Series 2018 Bonds and could adversely affect the Institution's financial condition and its ability to own and operate the Facility. Furthermore, any such claims could result in the imposition of use limitations, such as restrictive covenants, that could impair the ability of the School to operate the Facility. See "RISK FACTORS - Hazardous Materials" in this Limited Offering Memorandum.

As set forth in the Phase I, based on its findings, PVE recommended the Institution commission a Phase II Environmental Site Assessment (the "Phase II") for the Facility. The Phase II, dated May 11, 2018, was conducted by PVE to evaluate the soil, groundwater, and soil vapor quality at the Facility. The Phase II disclosed that there are potential underground fuel storage tanks ("UST") located at the Facility, along with elevated levels of volatile organic compounds ("VOC") and petroleum odors in the soil and groundwater samples. Based on its investigations, PVE concluded that there was a potential spill at the Facility and reported the spill to the New York State Department of Environmental Conservation as spill number 1801388.

In addition, the Phase II proposed the following recommendations for remediation of the RECs near the Facility described above:

1. *Historical fill present at the Facility*: Removal of the fill which will require special handling for disposal at an off-site location.

2. *Underground Storage Tanks*: Any remaining USTs should be excavated and removed during the redevelopment of the Facility.

3. *Volatile Organic Compounds*: During the redevelopment of the Facility, contractors should include a vapor barrier in the design of any future foundations for Facility to mitigate any potential vapor intrusion condition. This vapor barrier should consist, at a minimum, of a 20-mil product such as Raven Industries Vapor Block Plus or similar product.

4. *Voluntary Cleanup Program*: The Facility should be submitted to the New York City Mayor's Office of Environmental Remediation Voluntary Cleanup Program to facilitate remediation of the Facility and spill closure.

To date, the remediation plan has not been finalized or submitted for approval by the New York Department of Environmental Conservation Division of Remediation.

Construction Manager and Contract Documents

HLA Project Development, LLC, a Utah limited liability company, ("Highmark"), will act as the developer of the Project. Highmark's members have developed nearly 60 charter school facility projects in 16 states and is accustomed to working under the compressed schedules and tight budgets that charter schools face. Highmark will use a design and build ("Design-Build") contracting process to assist the School in the construction of the Facility. Design-Build contracting process is a contracting method in which one contract is entered into with a design-builder. The design-builder in this transaction is Hollister Construction Services, LLC ("Design-Builder"). The Design-Builder will have responsibility for all aspects of the construction: building design, site design, safety, off-site requirements, hiring subcontractors, and schedule and price guarantees. The Institution will not enter into a separate contract with an architect.

During the Design-Build process and development and construction phase, Highmark will work closely with the Institution in tandem with the Design-Builder and the Design-Builder's architect to develop and construct a Facility in a manner that is anticipated to meet School's programming and enrollment needs, all while staying within budget. Highmark will be responsible for overseeing and monitoring the Design-Build process.

TABLE A-3: ESTIMATED PROJECT COSTS

Project	Amount*
Land & Building Acquisition	$ 9,232,598.00
Design and Construction of New Facility	18,211,418.94
Debt Service Reserve Fund	1,295,412.51**
Capitalized Interest	3,624,324.41
Costs of Issuance	1,845,746.00
Total Estimated Project Costs	$34,209,500.00

* The amounts set forth in this table are projections only, and subject to change due to factors in the construction industry over which the School and the Institution have no control.

** Denotes only the amount funded with proceeds of the Series 2018 Bonds.

Construction

The Institution, Highmark, and Design-Builder will enter into a ConsensusDocs 410 Standard Design-Build Agreement and General Conditions Between Owner and Design-Builder (Cost of the Work Plus a Fee with a GMP) ("Design-Build Contract"), pursuant to which the Design Builder has agreed to perform certain design and construction tasks with respect to construction of the Facility. Under the Design-Build Contract, the Design Builder is required to perform certain ongoing construction and administrative responsibilities in accordance the approved schedule, the LW Law (as defined in the Loan Agreement), and approved plans and specifications, and to perform all the other work set forth in the Design-Build Contract.

Although the Design-Build Contract specifies a guaranteed maximum price (meant to represent the maximum cost to the Institution for completion of the related construction), potential investors should note that there can be no guaranty that actual construction costs will not exceed such amount, and hence exceed the amount available to the Institution for construction purposes. See "RISK FACTORS – Construction Risk Relating to the Project." A complete copy of the Design-Build Contract is available upon request, as provided under "MISCELLANEOUS – Additional Information" above.

The Institution will require that the Design Builder secure payment and performance bonds in connection with the construction of the Facility. In general, the Institution anticipates that payment and performance bonds will be sufficient to cover costs associated with transferring a project to a subsequent contractor if and to the extent the originally selected contractor is unable to finish to complete a project as planned. However, payment and performance bonds cannot protect against timing delays when projects run into difficulty (due to performance of contractors or any other reason). More generally, potential investors should note that there are always risks with respect to such new construction. See "RISK FACTORS – Construction Risk Relating to the Project."

The Institution has entered into a Development Agreement with Highmark. Pursuant to the Development Agreement, the Institution hired Highmark to exclusively provide certain development services, and Highmark is entitled to payment of the Developer's Fee (as defined in the Development Agreement) and certain other amounts thereunder. As a condition to making the Loan (as defined in the Loan Agreement) the Trustee and the Bondholder Representative require that the Institution assign all of its right, title and interest in and to the Development Agreement to the Trustee and that Highmark subordinate its interest under the Development Agreement to the Loan Agreement.

The Institution is required to pay the Developer Fee. It is anticipated that the School will guaranty the payment of the Third Installment (as defined in the Development Agreement) of the Developer Fee to the extent the Third Installment is not paid by the Institution.

THE SCHOOL

Governance and Administration

The Board of Trustees. The School is governed by a Board of Trustees (the "Board"). Under the School's Bylaws, the Board consists of not less than seven nor more than fifteen trustees. Currently, there are eight trustees who are elected to three-year terms.

The individuals who currently serve as trustees and officers of the Board are as follows:

Name	Position
Adam Miller, Esq.	Chair
Susan Fox	Vice Chair
Stella Binkevich	Treasurer
Aaron Listhaus	Secretary
Mike Tobman	Trustee
Ella Zalkind	Trustee
William Mack	Trustee
Alice Li	Trustee

The following are biographies of the board members.

Adam Miller, Esq. - Chair. Adam Miller is an experienced and highly successful trial lawyer and investigator in the New York area. Miller is currently a partner at Kauff Laton Miller LLP after working as Deputy Bureau Chief in the Major Economic Crimes Bureau of the Manhattan District Attorney's Office's Trial Division.

Susan Fox - Vice Chair. Susan Fox is the Executive Director of the Shorefront YM-YMHA of Brighton-Manhattan Beach. She is responsible for the resettlement, integration, and adaptation of refugees and immigrants primarily in the Russian speaking Jewish community. Fox has been at the Shorefront Y since 1996 and has been the Executive Director since 2002. She continues her involvement with the Jewish community through her support of Hebrew Language Academy

Stella Binkevich- Treasurer. Stella Binkevich is an accomplished economics professional recently transitioned to Liazon, a startup company that operates private benefits exchanges for businesses.

Binkevich was born in Ukraine and moved to the United States when she was seven. She later attended the University of Michigan and worked for Goldman Sachs upon graduation. Binkevich was recently honored by the organization COJECO for her involvement with the Russian-speaking Jewish community.

Aaron Listhaus - Secretary. Aaron Listhaus began at Hebrew Public in January 2011 and has since helped the development and opening of five new Hebrew language charter schools. Listhaus is an experienced educator, having worked as the chief academic officer of the New York City's Department of Education's Office of Charter Schools. Listhaus previously spent five years as a principal of Middle College High School at LaGuardia Community College in Long Island City.

Mike Tobman, Esq. - Member. Mike Tobman is a political professional with substantial experience in media relations, political consulting, and political campaigns. After working for Senator Charles Schumer, Tobman organized The Educational Alliance for Children in New York State, which advocated for an Education Tax Credit proposal. Tobman has represented Hebrew Language Charter Schools in New York since 2008 while using his political expertise to support Hebrew Language Academy Charter School.

Ella Zalkind, Esq. - Member. Ella Zalkind practices corporate, commercial, and real estate law for Beress & Zalkind. She has worked at renowned law firms in New York City, where she has mastered her trade in corporate and real estate transactions. Zalkind is the current President of the Board of Trustees at the Shorefront YM-YMHA of Brighton-Manhattan Beach.

William Mack, Esq. - Member. William Mack is an attorney at Greenberg Traurig in New York. His subject of expertise is primarily government investigations and regulatory and compliance matters. Mack has served as a Deputy Associate Counsel at the White House, the Director of the Executive Secretariat in the Office of the US Trade Representative, and as a Principal Counsel for Enforcement at FINRA. He was listed on City & State's "New York City 40 under 40 Rising Stars" in 2015 and is a current Term Member for the Council on Foreign Relations.

Alice Li - Member. Alice Li is an Assistant Vice President at Barclays in New York City. She previously worked for Ernst & Young and Con Edison as an auditor and accountant, respectively. Li is very involved in New York City community affairs.

Administration. The individuals who currently hold administrative positions at the School are as follows:

Ashley Furan- Head of School. Ashley Furan is the founding Head of School at the School. She has been committed to the education reform movement in New York City since 2004 in both district and charter settings, serving as an America Reads/America Counts tutor at various DOE school before joining Teach for America. Ashley taught at Explore Charter School, KIPP, Public Prep, and served as an Assistant Principal at Success Academy before moving into her role as the Head of School at the School. She is a graduated of both New York University and Hunter College, and is an alumnus of Teach for America New York. Ashley is passionate about cross-cultural communication, embracing a sense of curiosity about the world and others, and being a life-long learner. These passions make her extremely dedicated to bringing the School mission to life: to be a diverse by design public charter school which prepares students to be successful global citizens.

Lina Shuster- Director of Operations. Lina Shuster is the founding Director of Operations at the School. She has over fifteen years' experience working in operations management and human resources. As a former HR Director, she has extensive experience in recruitment, employee relations and retention, culture definition and employee engagement. Prior to joining Hebrew Public, she worked at Staten Island Hebrew Academy as director of operations and staff, she also worked for Lifespire as a Recruitment Director. She earned a BS in Psychology and a MA in industrial and organizational development from Brooklyn College. From her expansive experience, she also brings to the School her expertise in event planning and fundraising events as well as managing social media, communications and promoting community engagement. She has a passion for superior education and believes that knowledge of foreign language is the key to preparing children to become productive global citizens.

Teachers and Staff

All employees are compensated directly by the School. The faculty and staff are employed pursuant to letters of hire for periods of one year. The School believes the faculty, administration and

Board of Trustees have a strong and collaborative working relationship. None of the School's employees are currently represented by a collective bargaining unit. Neither the School administration nor the School's Board of Trustees is aware of any desire among the faculty and staff to create or join any organized union or collective bargaining unit. The Manager, in collaboration with the School is currently working on a comprehensive design for teacher compensation, benefits, evaluation, and career pathways in partnership with Hendy Avenue Consulting, whose founder played an instrumental role in creating Achievement First's Teacher Career Pathway.

At full capacity for grades K-5, the School plans to employ approximately 47 teachers, including:

- 18 General Education Classroom teachers
- 6 ICT (Special Education) Teachers
- 1 ELL Teacher
- 5 Specials (Music, Art, Physical Education) Teachers
- 12 Hebrew Teachers
- 2 Floater/Associate Teachers
- 3 Associate Kindergarten Teachers

Each class is estimated to have a maximum of 29 students per class.

The following table shows historical and projected number of teachers by category for the School for the 2017-18 and 2018-19 schools years.

TABLE A-4:
TEACHERS AT THE SCHOOL

	2017-18	2018-19
Hebrew	4	6
General Education	6	9
special education	2	3
Associate	1	1
Physical Education	1	1
Music	1	1
ESL Teacher		1
Total*	15	22

*Does not include non-faculty staff.

Volunteers

Volunteers will also play an important role in the School by providing support in a wide range of areas. It is anticipated that most volunteers are parents of current students, and engage in activities such as working in classrooms on tasks such as grading papers and preparing materials for instruction, participating in field trips, and helping out with main office tasks such as filing paperwork and answering phones.

Charter Contract

General. The Charter Schools Act, provides for the creation of public charter schools to provide educational opportunities for students, teachers, parents, and community members, and to establish and maintain schools that operate independently of existing schools and school districts in order to: (i) improve student learning and achievement; increase learning opportunities for all students, with special emphasis on expanded learning experiences for students who are at-risk of academic failure; (iii) encourage the use of different and innovative teaching methods; create new professional opportunities for teachers, school administrators and other school personnel; (v) provide parents and students with expanded choices in the types of educational opportunities that are available within the public school system; and (vi) provide

schools with a method to change from rule-based to performance-based accountability systems by holding charter schools accountable for meeting measurable student achievement results.

Annual Reports. As part of the School's charter, both the NYC DOE, as well as the New York State Education Department (the "NYSED") require annual accountability plan progress reports (each, an "Annual Report") to ensure that the School is in compliance with the terms of the Charter. An Annual Report is submitted each August (and again on November 1, when updated data such as state test results becomes available). The Annual Report provides information about the School's academic and fiscal standing, as well as operational information (i.e. student and teacher retention, percentage of students who are Economically Disadvantaged, are classified as Special Education, and/or are English Language Learners, testing data, etc.). This information is analyzed by representatives from the Authorizer, as well as the State. Additionally representatives from the NYC DOE conduct a compliance visit at the School at least once every charter term. The School will also submit a wide variety of compliance related items (fingerprint clearance, fire and bus drill dates, etc.) as required by the NYC DOE's compliance calendar published annually.

Charter Renewal. Under the terms of the Charter Schools Act, charters may be renewed, upon application for renewal, for a term of up to five years. In connection with charter renewal, the Charter Schools Act requires applicants such as the School to submit:

(i) A report of progress in achieving the educational objectives set forth in the charter.

(ii) A detailed financial statement that discloses the cost of administration, instruction and other spending categories for the charter school that will allow a comparison of such costs to other schools, both public and private.

(iii) Copies of each of the annual reports of the charter school required by the Charter and the Charter Schools Act, including charter school report cards and certified financial statements.

(iv) Indications of parent and student satisfaction.

In the case of the School, the Charter also requires that a renewal application contain such other material and information as is required by NYC DOE.

The Charter Schools Act requires that charter renewal applications be submitted to the charter entity, which in the case of the School is the Authorizer, no later than six months prior to the expiration of a charter; provided, however, that the charter entity may waive the deadline for good cause shown. The Charter provides that no later than the first of November in the year prior to expiration of the Charter, the School may provide the Authorizer with an application to renew the Charter in accordance with the Charter Schools Act. The Charter states that if the Authorizer does not approve a renewal application, the parties to the Charter shall fulfill their respective obligations through the full term of the Charter.

Charter Revocation. A charter may be terminated by the charter entity or the Board of Regents upon any of the following statutory grounds:

(i) If the charter school's outcome on student assessment measures adopted by the Board of Regents falls below the level that would allow the Commissioner of Education to revoke the registration of another public school, and student achievement on such measures has not shown improvement over the preceding three school years;

(ii) Serious violations of law;

(iii) Material and substantial violation of the charter, including fiscal mismanagement; or

(iv) If the New York Public Employment Relations Board makes a determination that the charter school demonstrates a practice and pattern of egregious and intentional violations of subdivision one of §209-A of the New York Civil Service Law involving interference with or discrimination against employee rights under Article 14 of the New York Civil Service Law.

In addition to the statutory revocation provisions, the Charter provides that it may be terminated and revoked by mutual agreement of the parties.

The Charter Schools Act provides that notice of intent to revoke a charter must be provided to the board of trustees of a charter school at least 30 days prior to the effective date of the proposed revocation. Such notice must include a statement of reasons for the proposed revocation. The charter school must be

given at least 30 days to correct the problems associated with the proposed revocation. Prior to revocation of the charter, a charter school must be provided an opportunity to be heard, consistent with the requirements of due process. Upon the termination of a charter, the charter school is required to proceed with dissolution pursuant to the procedures of the charter and direction of the authorizing entity and the Board of Regents.

In addition, the charter entity or the Board of Regents may place a charter school falling within the provisions of (i) through (iv) above on probationary status to allow the implementation of a remedial action plan. The failure of a charter school to comply with the terms and conditions of a remedial action plan may result in summary revocation of the school's charter.

Admissions Policy and Procedures

The School's admission policy is non-sectarian and does not discriminate against any student on the basis of ethnicity, national origin, gender, disability or any other ground that would be unlawful if done by a school. Admission to the School is not limited on the basis of intellectual ability, measures of achievement or aptitude, athletic ability, disability, race, creed, gender, national origin, religion or ancestry. Any child who is qualified under New York State law for admission to a public school is qualified for admission to the School. The School ensures compliance with all applicable anti-discrimination laws governing public schools, including Title VI of the Civil Rights Act and § 2854(2) of the New York Education Law, governing admission to a charter school.

For admission to the School during the School's initial year (the 2017-2018 school year), a child must have been eligible to enter Kindergarten or 1st grade in August 2017. During its initial year of operation, sixty-two (62) Kindergarten and sixty-six (66) 1st grade students were accepted in the inaugural lottery. The School intends to add one additional grade per school year until it is providing the full complement of elementary school grades of Kindergarten through fifth grade. The School anticipates that it will be serving Kindergarten through fifth grade by the 2021-22 school year. Admission to the School will be limited each year to pupils within the grade levels to be served by the School. In order to be eligible to apply for Kindergarten, students must turn 5 by December 31 of the year in which they will enter Kindergarten. New York State law provides explicit preference for siblings of students and students residing in CSD 21 in Brooklyn.

In its admission policies and procedures, the School does not, and will not, engage in any of the following:

1. Requiring parents to attend meetings or information workshops as a condition of enrollment;
2. Having an unduly narrow enrollment period (*e.g.* fewer than 30 days);
3. Giving enrollment preference to children of members of the School's Board or founders group;
4. Requiring parents to sign agreements or contracts imposing certain responsibilities or commitments to the School, regardless of their virtue, as a condition of enrolling their children (*e.g.* correcting a child's homework, volunteering, etc.);
5. Mandating that students or parents agree with the School's mission or philosophy; or
6. Giving preference to students interested or talented in a particular School program (*e.g.* foreign language proficiency).

Enrollment

The School began its operations in the 2017-18 school year at property located at 1870 Stillwell Avenue, Brooklyn, New York. The School expects to use this facility for its first three years of operation. The School will begin its operations at the Facility upon completion, which is anticipated to be for the 2020-21 school year with an estimated enrollment of 370 students. The School's estimated enrollment is 450 students during 2021-22, 480 students in 2022-23, and between 480 and 490 students each year thereafter.

The School began formal recruitment of incoming students upon receipt of authorization from the Authorizer. The recruitment process is conducted in several languages in order to meet the needs of the community, including, English, Hebrew, Russian, Urdu, Mandarin, Cantonese and Spanish. Beginning on or before January 1 of each year, the School intends to advertise open registration and provide families with

an opportunity to meet the teachers and staff and learn more about the School. The School currently invests in radio advertising, flyering, social media, print advertising, community-based events and direct outreach to pre-K programs, community centers, and other organizations, in multiple languages in an effort to increase its recruitment efforts. Applications for enrollment may be submitted on or before January 15 through April 1 of each year (or alternate dates as established and publicized each year). If, as of the application deadline, the number of applicants to the School exceeds capacity, a random selection process (lottery) will be used to admit students. This lottery process is discussed in more detail below. Should a lottery be required, all families who applied to the School will be informed of the details of the lottery, including the date, time and location that it will be held. As of June 30, 2018, the School has received 540 new applications for attendance in grades K-2, however this number will fluctuate as recruitment efforts are ongoing, and some registered students end up as "no shows" and fail to attend the School.

All families of students currently enrolled in the School will be sent a renewal form by February of each year in order to indicate whether or not they will re-enroll their child for the next academic year. Reasonable and multiple attempts will be made to reach parents regarding their decision to re-enroll their children and parents will be given a reasonable amount of time to re-enroll their child before the School determines that they do not intend to enroll. This process will inform the School as to any planned vacancies in the grades that will need to be filled through the current year's application and lottery process.

The following table shows historical and projected student enrollment numbers by grade level for the School for grades K-5 of the initial Charter term, as described in the School's Charter application.

TABLE- A-5:
HISTORICAL AND PROJECTED ENROLLMENT BY GRADE LEVEL

	Historical		Projected			
Grades	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**
K	62	83	87	80	84	87
1	66	80	87	80	84	87
2	_	77	87	75	80	85
3	_	_	72	70	75	81
4	_	_	_	65	70	75
5	_	_	_	_	57	65
Total	**128**	**240**	**333**	**370**	**450**	**480**

Enrollment Demographics

The School opened at its current location in time for the 2017-18 school year. The table below sets forth the enrollment demographic information for the initial year of the School, and for informational purposes only, enrollment demographic information for 2017-18 of the two other New York charter schools that are managed by Hebrew Public:

TABLE- A-6:

HEBREW PUBLIC NYC SCHOOLS: 2017-18 SCHOOL YEAR ENROLLMENT DEMOGRAPHICS[1]

SCHOOL	FRL	SWD	ELL	Black	Latino	White	Multi-Racial/Other
HLA2 (CSD 21)	80%	25%	20%	25%	8%	60%	8%
HLA (CSD 22)	63%	20%	7%	49%	5%	44%	3%
HHLA (CSD 3)	59%	22%	12%	35%	31%	33%	1%

[1]FRL=Free & Reduced Lunch, SWD=Students with Disabilities, ELL=English Language Learners

Lottery Admission Process

Under the Charter Schools Act, admission into charter schools is determined by a lottery process. The annual application submission process begins each January and continue through April 1 of each year. Applications may be submitted electronically or in hard copy. Applications will be available in English, Hebrew, Russian, Urdu, Mandarin, Cantonese and Spanish, and any other dominant language in the community. The lottery takes place annually on or about April 15. The previous year's waiting list expires annually at the lottery drawing. For the 2018-2019 school year, as of June 30, 2018 the School had received 540 applications for grades kindergarten through 2nd grade, not including returning students. Admission is granted in the following manner:

- First preference (after the first year) will be given to returning students, who will automatically be assigned a space at the School.
- Second preference will be given to siblings of students already enrolled in the School, or siblings of a student whose name is drawn in the lottery whose names are also in the current year's lottery.
- Third preference will be given to residents of the CSD 21.

Service Area Demographics

Information set forth in the following sections is meant to provide prospective investors with general information concerning certain economic and demographic conditions existing in the School's service area. Such information has been obtained from the referenced sources and is believed to represent the most current information available from such sources, but certain of the information is released only after a significant amount of time has passed and hence such information may not be indicative of economic and demographic conditions as they currently exist or conditions which may be experienced in the near future. Further, the reported data has not been adjusted to reflect economic trends, notably inflation.

The School is located in the Borough of Brooklyn, New York City. The following table shows racial demographic information for CSD 21's public school enrollment as of 2017, and for Kings County (Brooklyn) and the State, as presented in the U.S. Department of Commerce's 2010 Census, are also included.

TABLE- A-7:
SERVICE AREA DEMOGRAPHICS

Race	CSD 21	Kings County	State
African American	16%	34%	16%
Asian	25%	11%	7%
Hispanic	25%	20%	18%
White	32%	43%	66%
Other	2%	9%	7%

Source: US Census, 2010

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Competing Schools

Because the School is located in Brooklyn's CSD 21, students residing in that district will have priority for admission. Accordingly, the School's chief competition will be with CSD 21 family's zoned district school, and with the small number of existing charter schools in the district. The list below shows those CSD 21 district and charter schools within a roughly 1.5 mile distance of the School's location.

TABLE A-8:
NEARBY CHARTER SCHOOLS
(within 1.5 mile radius of the School)

School	Grades (Offered)
Success Academy Bensonhurst	K-4
Coney Island Preparatory	K-12
PS 128	PK-5
PS 97	PK-8
PS 101	PK-5
PS 177	PK-5
PS 95	PK-8
PS 216	PK-5
PS 212	PK-5

Population

The following table sets forth population statistics for the Kings County and the State of New York.

TABLE A-9:
COMPARATIVE POPULATION

Year	Kings County	Percent Change	State of New York	Percent Change
1990	2,300,664	–	17,990,778	–
2000	2,465,525	7.2	18,976,821	5.5
2010	2,504,700	1.6	19,378,102	2.1

Source: U.S. Department of Commerce, Bureau of the Census, 2010 Census of Population and Housing.

Median Age

According to the U.S. Census Bureau, 2012-16 American Community Survey, the estimated median age for the residents of Kings County was 34.5 years and for residents of the State was 38.2 years. (Source: U.S. Department of Commerce, Bureau of the Census, American Fact Finder.)

Income

The following table set forth per capita personal income for Kings County, the State of New York and the United States.

TABLE A-10:
PER CAPITA PERSONAL INCOME

	2013	2014	2015	2016
Kings County	25,289	25,932	26,774	28,134
State of New York	32,382	32,829	33,236	34,212
United States	28,155	28,555	28,930	29,829

Source: U.S. Department of Commerce, Bureau of the Census, American Fact Finder.

Charter School Funding

TABLE A-11: HISTORIC PER PUPIL FUNDING CHART NY STATE FUNDING	
School Year	**Per Pupil Allocation***
2012-13	$13,527
2014-15	$13,777
2015-16	$13,877
2016-17	$14,027
2017-18	$14,527
2018-19	$15,308

*Per pupil allocation does not include supplemental aid which may have been available in any year.
Source: http://www.nyccharterschools.org/sites/default/files/resources/Charter-Center-Memo-on-2018-State-Budget.pdf

New York State's 2018-19 annual fiscal budget includes significant legislative change affecting all charter school in New York City.

The statutory formula for calculating charter per pupil funding had been frozen for several years at the 2010-11 funding level ($13,527 in NYC), delinking it effectively from changes in district school expenditures. In 2014, legislation was enacted that provided small supplemental increases to the per pupil funding (while providing a reimbursement to school districts for those increases). These increases kept charter per pupil funding relatively flat, increasing just 3.7% through the 2016-17 school year.

In 2017-18 the legislature raised the per pupil funding level to $14,527. In addition, the State Senate has also provided, as it has of the over the last three years, a one-time appropriations to charter schools in the 2017-18 school year of approximately $300 per pupil.

Beginning in 2018-19, the State legislature changed the statutory formula for charter school per pupil funding and it will once again be calculated using the existing statutory formula tied to direct expenditures, thus effectively making the per pupil once again a function of average per pupil operating expenses of the district.

The following provisions were approved as part of 2018-19 budget:

- In 2018-19 a per pupil amount of $15,308 plus a one-time supplemental grant of approximately $267 per student payable to schools directly from the state after April 1, 2019.
- As a one-time appropriation, charter schools in New York City will also receive an additional $184 per student payable to schools directly from the state after April 1, 2019.

With the additional $451 in supplemental aid, it is estimated that charter schools will receive approximately $15,759 per student for the 2018-19 school year. This represents a 6% increase ($882) in charter school funding from the 2017-18 school funding amount.

Student Performance

The Office for Standards, Assessment and Reporting of the New York State Education Department is responsible for the coordination, development, and implementation of the Grade 3-8 tests, Regents Examinations, Regents Competency Tests, Second Language Proficiency Examinations, Alternate Assessments and English Language Proficiency assessments that comprise the New York State Testing Program ("NYSTP"). These examinations are administered to students in Kindergarten through Grade 12 enrolled in public, nonpublic, and charter schools throughout the state

Elementary and intermediate-level students are expected to take a series of state examinations in grades 3-6. These exams include the New York State Elementary and Intermediate Assessments in:

- Grades 3-6 English Language Arts;
- Grades 3-6 Mathematics;
- Grade 4 Science; and
- Grade 5 Social Studies.

Student performance on the assessments is categorized into achievement levels: Level 1 - Not Meeting Learning Standards; Level 2 - Partially Meeting Learning Standards; Level 3 - Meeting Learning Standards; and Level 4 - Meeting Learning Standards with Distinction.

As stated earlier, the School will be modeled in part after the two other charter schools managed by the Manager and located in New York, HLA and HHLA. In that regard the following information on Assessment Results for HLA and HHLA is meant to provide prospective investors with general information concerning the Assessment Results for HLA and HHLA. Such information has been obtained from the referenced sources and is believed to represent the most current information available from such sources.

TABLE A-12:
ASSESSMENT RESULTS*

	HLA	HHLA	CSD 21	State	HLA	HHLA	CSD 21	State
	2015-16				2016-17			
Grade 3								
English Language Arts	36%	29%	45%	42%	36%	41%	45%	43%
Math	49%	29%	46%	44%	67%	60%	51%	48%
Grade 4								
English Language Arts	72%	n/a	48%	41%	29%	41%	46%	41%
Math	74%	n/a	48%	45%	33%	34%	45%	43%
Grade 5								
English Language Arts	36%	n/a	38%	33%	56%	n/a	41%	35%
Math	69%	n/a	45%	40%	69%	n/a	46%	43%

Source: the School, from data made available by the New York State Education Department.

Internal Controls

The School's internal control structure is composed of two basic elements:

1. **Control Environment**: The Control Environment reflects the importance the School places on internal controls as part of its day-to-day activities. Factors that influence the control environment include management and Board philosophy, organizational structure, ways of assigning authority and responsibility, methods of management and control, and personnel policies and practices. The School's Board reviews the fiscal reports as a part of its meetings; the Board will also ensure that the School's structure allows for sufficient checks and balances.

2. **Control Procedures**. The Control Procedures are set up to strengthen the School's internal control structure and thus safeguard the School's assets. They are divided into the following:

- Segregation of Duties: In general, the transaction approval function, the accounting/reconciliation function and the asset custody function would be separated among employees (Head of School, office manager, finance associate and charter school business manager (who is overseen by the Head of School) whenever possible. When these functions are not or cannot be separated, then a detailed supervisory review of related activities should be undertaken by managers or officials as a compensatory control.

- Restricted Access: Physical access to valuable and movable assets will be restricted to authorized personnel (Head of School and office manager). Systems access to make changes in accounting records will be restricted to authorized personnel (Board Treasurer and Head of School) with changes and explanation for changes documented as a safeguard.

- Document Controls ensure that all documents are captured by the accounting system. To do so all documents will be pre-numbered and the sequence for documents must be accounted for.

- Processing Controls will be designed to catch errors before they are posted to the general ledger. Processing controls the School expects to implement are the following: source document matching; clerical accuracy of documents; and general ledger account code checking.

- Reconciliation Controls such as reconciling selected general ledger control accounts to subsidiary ledgers, will be designed to catch errors after transactions have been posted to the general ledger. All bank statements will be reviewed by the Treasurer.

- Fraud Prevention will include measures in its banking relationship to deter check fraud such as Positive Pay. All purchases over $5,000 will require approval by the Finance Committee.

- Cash Handling Controls requires cash receipts to be handled exclusively by the finance associate or in his/her absence, the office manager. On a periodic basis, the charter school business manager performs unannounced review, at least bi-monthly, of cash involving reconciling cash on hand and the expected balance using the opening cash balance and accounting for the receipts and disbursements of cash.

The Board Treasurer has developed fiscal policies and procedures with support from the charter school business manager. The School has adopted those fiscal policies and procedures and implemented the above- mentioned control structures. On an ongoing basis, the independent auditor advises about the internal controls policies and procedures. Adjustments will be made to the policies and procedures based on any weaknesses identified by the auditor.

Conflicts Policy

The Board has adopted a Conflict of Interest Policy which provides that no Trustee, Officer, employee or committee member shall have an interest, direct or indirect, in any contract when such Trustee, Officer, employee or committee member, individually or as a member of the Board or committee, has the power or duty to (a) negotiate, prepare, authorize or approve the contract, or authorize or approve payment under the contract; (b) audit bills or claims under the contract; or (c) appoint an officer or employee who has any of the powers or duties set forth above (subject to certain exceptions allowed under Section 802 of the General Municipal Law). The Conflict of Interest Policy shall also provide that the Treasurer shall not have an interest, direct or indirect, in a bank or trust company designated as a depository or paying agent or for investment of funds of the School. Any Trustee, Officer, employee or committee member with such an interest shall make a prompt, full and frank disclosure of his or her interest to the Board or committee. Such disclosure shall include all relevant and material facts known to such person about the contract or transaction that may reasonably be construed to be adverse to the School's interest. The Conflict of Interest Policy also

provides that no Trustee, officer, employee or committee member shall (i) directly or indirectly solicit, accept or receive any gift having a value of fifty dollars ($50) or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form, under circumstances in which it could reasonably be inferred that the gift was intended to or could reasonably be expected to influence him or her in the performance of his or her official duties, or was intended as a reward for any official action on his or her part; (ii) disclose confidential information acquired in the course of his or her official duties or use such information to further her or her personal interests; (iii) receive or enter into any agreement, express or implied, for compensation for services to be rendered in relation to any matter before any municipal agency of which he or she is an officer, member or employee or of any municipal agency over which he or she has jurisdiction or to which he or she the power to appoint any member, officer or employee; or (iv) receive or enter into any agreement, express or implied, for compensation for services to be rendered in relation to any matter before the Board whereby the compensation is to be dependent or contingent upon any action by the agency.

Projected Revenues and Expenditures

This Limited Offering Memorandum contains certain "forward-looking" statements of the type described in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. See "INTRODUCTION – Caution Regarding Forward-Looking Statements" above. Although the School believes that the assumptions upon which the forward-looking statements contained in this Limited Offering Memorandum are based are reasonable, any of the assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions could also be incorrect. All phases of the operations of the school by the School involve risks and uncertainties, many of which are outside of the School's control and any one of which, or a combination of which, could materially affect the School's results with respect to the school's operations. Factors that could cause actual results to differ from those expected include, but are not limited to, general economic conditions; the willingness of the State to fund public schools including charter schools at present or increased levels; competitive conditions within the school's service area; lower-than-projected enrollment; unanticipated expenses; changes in government regulation including changes in the law governing charter schools in New York; future claims for accidents against the School and the extent of insurance coverage for such claims; and other risks discussed in this Limited Offering Memorandum. See "RISK FACTORS" above.

These projections have been prepared by the School with assistance from the Manager, and are based on the Manager's assumptions about future State funding levels and future operations of the School, including student enrollment and expenses. The School's projections have not been independently verified by any party other than the School. The School's projections have not been prepared in accordance with generally accepted accounting principles. No feasibility studies have been conducted with respect to operations of the School pertinent to the Series 2018 Bonds. The Underwriter has not independently verified the School's projections, and makes no representations nor gives any assurances that such projections, or the assumptions underlying them, are complete or correct.

NO REPRESENTATION OR ASSURANCE CAN BE GIVEN THAT THE SCHOOL WILL REALIZE REVENUES IN AMOUNTS SUFFICIENT TO MAKE ALL REQUIRED PAYMENTS UNDER THE LOAN AGREEMENT SUFFICIENT TO PAY DEBT SERVICE ON THE SERIES 2018 BONDS. THE REALIZATION OF FUTURE REVENUES DEPENDS ON, AMONG OTHER THINGS, THE MATTERS DESCRIBED IN "RISK FACTORS," AND FUTURE CHANGES IN ECONOMIC AND OTHER CONDITIONS THAT ARE UNPREDICTABLE AND CANNOT BE DETERMINED AT THIS TIME. THE UNDERWRITER MAKES NO REPRESENTATION AS TO THE ACCURACY OF THE PROJECTIONS CONTAINED HEREIN, NOR AS TO THE ASSUMPTIONS ON WHICH THE PROJECTIONS ARE BASED.

TABLE A-13: PROJECTED REVENUES AND EXPENSES

Hebrew Language Academy Charter School

	2017-18 unaudited	Budget 2018-19	2019-20	Move In Year 1 2021	Year 2 2022	Year3 2023	Year 4 2024	Year 5 2025
Revenue:								
Total Enrollment (Head Count)	*129*	*215*	*295*	*370*	*450*	*480*	*480*	*480*
Total Enrollment (ADM/Guaranty)	*129*	*215*	*295*	*370*	*450*	*480*	*480*	*480*
Enrollment Capacity Under Charter Contract				*413*	*489*	*new term*	*new term*	*new term*
Facility Enrollment Capacity								
Special Education Enrollment, 60% or more of day	*10*	*12*	*27*	*44*	*54*	*58*	*58*	*58*
Special Education Enrollment, 20-60% of day	*0*	*0*	*6*	*7*	*9*	*10*	*10*	*10*
Grade Span	*K-1*	*K-2*	*K-3*	*K-4*	*K-5*	*K-5*	*K-5*	*K-5*
Base per pupil revenue	14,481	15,308	15,614	*15,926*	*16,245*	*16,570*	*16,901*	*17,239*
Annual per pupil supplemental grant	312	451	300	*300*	*300*	*300*	*300*	*300*
Lease Aid - Per Pupil	4,344	4,592	4,684	*4,778*	*4,873*	*4,971*	*5,070*	*5,172*
Special Education PPR, 60% or more of day	18,807	19,525	19,916	*20,314*	*20,720*	*21,134*	*21,557*	*21,988*
Special Education PPR, 20-60% of day	-	10,650	10,863	*11,080*	*11,302*	*11,528*	*11,758*	*11,994*
Miscellaneous Revenue	8,604	2,076	872	*890*	*908*	*926*	*944*	*963*
Per Pupil Revenue	$ 1,908,249	$ 3,388,185	$ 4,694,677	$ 6,003,784	$ 7,445,237	$ 8,097,538	$ 8,256,609	$ 8,418,861
Facility Aid	560,339	987,366	1,381,853	1,767,835	2,193,071	2,386,061	2,433,783	2,482,458
Special Education Revenue	188,071	228,588	592,848	983,927	1,220,601	1,328,014	1,354,575	1,381,666
Miscellaneous Revenue	1,109,857	446,421	257,240	329,300	408,510	444,459	453,348	462,415
Total Revenue	**$ 3,766,516**	**$ 5,050,560**	**$ 6,926,619**	**$ 9,084,846**	**$ 11,267,420**	**$ 12,256,073**	**$ 12,498,315**	**$ 12,745,401**
Revenue/Student	*29,198*	*23,491*	*23,480*	*24,554*	*25,039*	*25,533*	*26,038*	*26,553*
Total Revenue, not including Facilities Aid	*3,206,177*	*4,063,194*	*5,544,765*	*7,317,011*	*9,074,349*	*9,870,012*	*10,064,532*	*10,262,942*
Revenue/Student, not including Facilities Aid	*24,854*	*18,899*	*18,796*	*19,776*	*20,165*	*20,563*	*20,968*	*21,381*
Expenses:								
Personnel costs, per pupil	$ 13,187	$ 11,764	$ 12,002	$ 12,239	$ 12,545	$ 12,859	$ 13,180	$ 13,510
Salaries & Benefits	1,701,162	2,733,724	3,540,443	4,528,430	5,645,239	6,172,128	6,326,431	6,484,592
Non-personnel costs, per pupil, n/l mgmnt fees & rent	5,658	3,650	3,724	3,797	3,873	3,950	4,029	4,110
Non-Personnel, excluding Management Fees & Rent	729,881	784,750	1,098,433	1,404,890	1,742,823	1,896,191	1,934,115	1,972,798
Management Fees	209,447	361,677	528,753	698,771	866,584	942,555	961,118	980,053
FF&E	*190,772*	*100,731*	*105,768*	*111,056*	*116,609*	*122,439*	*128,561*	*134,989*
Total Expenses, not including debt service	**$ 3,742,762**	**$ 3,880,151**	**$ 5,167,628**	**$ 6,743,147**	**$ 8,371,254**	**$ 9,133,314**	**$ 9,350,226**	**$ 9,572,431**
Operating Expenses/Student	*29,014*	*18,047*	*17,517*	*18,225*	*18,603*	*19,028*	*19,480*	*19,943*
Rent (17-18 through 19/20)	*911,500*	*1,089,060*	*1,382,000*					
Net operating income	*23,754*	*(19,382)*	*271,223*	*831,700*	*826,980*	*625,674*	*663,413*	*699,747*
Add Back: Depreciation	28,000	45,000	100,000	110,000	121,000	133,100	146,410	161,051
Revenues Available for Debt Service, net mgmt fees	**963,254**	**1,114,678**	**1,753,223**	**2,451,699**	**3,017,166**	**3,255,860**	**3,294,499**	**3,334,021**
Principal						$ 440,000	$ 475,000	$ 515,000
Interest & Fees		1,096,273	2,078,584	2,190,186	2,190,186	2,190,186	2,156,086	2,119,274
Less. Capitalized Interest		(1,094,523)	(2,076,834)	(570,187)	-			
Net Debt Service		**$ 1,750**	**$ 1,750**	**$ 1,619,999**	**$ 2,190,186**	**$ 2,630,186**	**$ 2,631,086**	**$ 2,634,274**
Debt Service Coverage (x) after mgmt fees				**1.51**	**1.38**	**1.24**	**1.25**	**1.27**
Debt Service Coverage (x) before mgmt fees				**1.94**	**1.77**	**1.60**	**1.62**	**1.64**
Debt Outstanding		**$ 36,650,000**	**$ 36,650,000**	**$ 36,650,000**	**$ 36,650,000**	**$ 36,650,000**	**$ 36,210,000**	**$ 35,735,000**
Lease Aid Available				**1,767,835**	**2,193,071**	**2,386,061**	**2,433,783**	**2,482,458**
Net Debt Service				**1,619,999**	**2,190,186**	**2,630,186**	**2,631,086**	**2,634,274**
Surplus/Deficit Lease Aid to Cover Debt Service				**147,836**	**2,885**	**(244,125)**	**(197,303)**	**(151,816)**
Encroached Funds as a % of Revenues						**0**	**0**	**0**
Less Deposit to DSRF				$ 263,589	$ 263,589	$ 263,589	$ 263,589	$ 263,589
Change in Fund Balance				**$ 568,111**	**$ 563,391**	**$ 362,084**	**$ 399,824**	**$ 436,157**
Beginning Fund Balance	-	74,871	195,000	360,456	928,567	1,491,958	1,854,042	2,253,866
Ending Fund Balance	74,871	195,000	360,456	928,567	1,491,958	1,854,042	2,253,866	2,690,023
Days' Cash on Hand	**7**	**18**	**26**	**41**	**52**	**58**	**70**	**82**

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF NEW YORK EDUCATION LAW

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF NEW YORK EDUCATION LAW

The following summarizes certain provisions of the New York Charter Schools Act of 1998, Article 56, §§ 2850-2857 of the New York Education Law, as amended (the "Act"), other applicable provisions of the New York Education Law, and related regulations. The following provides a summary only, and is only for informational purposes. Potential investors should refer to and independently evaluate applicable provisions of the Act in their entirety, with assistance from counsel as necessary, for a complete understanding of their terms. Further, potential investors should note that the provisions summarized below are subject to change, and this summary only pertains to certain aspects of currently existing law. See "RISK FACTORS – Changes in Law; Annual Appropriation; Inadequate Education Aid Payments" in this Limited Offering Memorandum.

Purpose (New York Education Law § 2850)

The purpose of the Act is to authorize a system of charter schools to provide opportunities for teachers, parents, and community members to establish and maintain schools that operate independently of existing schools and school districts in order to accomplish the following objectives:

(a) Improve student learning and achievement;

(b) Increase learning opportunities for all students, with special emphasis on expanded learning experiences for students who are at-risk of academic failure;

(c) Encourage the use of different and innovative teaching methods;

(d) Create new professional opportunities for teachers, school administrators and other school personnel;

(e) Provide parents and students with expanded choices in the types of educational opportunities that are available within the public school system; and

(f) Provide schools with a method to change from rule-based to performance-based accountability systems by holding the schools established under the Act accountable for meeting measurable student achievement results.

Eligible Applicants; Applications; Submission (New York Education Law §§ 2851(1), 2851(2) and 2851(3))

An application to establish a charter school may be submitted by teachers, parents, school administrators, community residents or any combination thereof. Such application may be filed in conjunction with a college, university, museum, educational institution, not-for-profit corporation exempt from taxation under § 501(c)(3) of the Internal Revenue Code or for-profit business or corporate entity authorized to do business in New York state. Provided however, for-profit business or corporate entities shall not be eligible to submit an application to establish a charter school pursuant to § 2852(9-a) (a request for proposals process) of the Act, or operate or manage a charter school for a charter issued pursuant to § 2852(9-a) (a request for proposals process) of the Act. For charter schools established in conjunction with a for-profit business or corporate entity, the charter shall specify the extent of the entity's participation in the management and operation of the school.

The information provided on the application shall be consistent with the provisions of the Act and other applicable laws, rules and regulations.

An applicant shall submit the application to a charter entity for approval. For purposes of the Act, a charter entity shall be:

(a) The board of education of a school district eligible for an apportionment of aid under § 3602(4) (apportionment of public moneys to school districts employing eight or more teachers) of the New York Education

Law; provided that a board of education shall not approve an application for a school to be operated outside the school district's geographic boundaries and further provided that in a city having a population of 1,000,000 or more, the chancellor of any such city school district shall be the charter entity established by this paragraph;

(b) The Board of Trustees of the State University of New York; or

(c) The Board of Regents. The Board of Regents shall be the only entity authorized to issue a charter pursuant to the Act.

Notwithstanding any provision of this section to the contrary, an application for the conversion of an existing public school to a charter school shall be submitted to, and may only be approved by, the charter entity set forth in paragraph (a) of this section. Notwithstanding any law, rule or regulation to the contrary, any such § 2852(9-a) application for conversion shall be consistent with this section but shall not be subject to the process pursuant to the Act, and the charter entity shall require that the parents or guardians of a majority of the students then enrolled in the existing public school vote in favor of converting the school to a charter school.

Charter Renewal (New York Education Law § 2851(4))

Charters may be renewed, upon application, for a term of up to five (5) years in accordance with the provisions of the Act for the issuance of such charters pursuant to § 2852 of the Act; provided however, that a renewal application shall include:

(a) A report of the progress of the charter school in achieving the educational objectives set forth in the charter.

(b) A detailed financial statement that discloses the cost of administration, instruction and other spending categories for the charter school that will allow a comparison of such costs to other schools, both public and private. Such statement shall be in a form prescribed by the Board of Regents.

(c) Copies of each of the annual reports of the charter school required by § 2857 of the Act, including the charter school report cards and the certified financial statements.

(d) Indications of parent and student satisfaction.

(e) The means by which the charter school will meet or exceed enrollment and retention targets as prescribed by the Board of Regents or the Board of Trustees of the State University of New York, as applicable, of students with disabilities, English language learners, and students who are eligible applicants for the free and reduced price lunch program which shall be considered by the charter entity prior to approving such charter school's application for renewal. When developing such targets, the Board of Regents and the Board of Trustees of the State University of New York shall ensure (1) that such enrollment targets are comparable to the enrollment figures of such categories of students attending the public schools within the school district, or in a city school district in a city having a population of 1,000,000 or more inhabitants, the community school district, in which the charter school is located; and (2) that such retention targets are comparable to the rate of retention of such categories of students attending the public schools within the school district, or in a city school district in a city have a population of 1,000,000 or more inhabitants, the community school district, in which the proposed charter school would be located.

Such renewal application shall be submitted to the charter entity no later than six months prior to the expiration of the charter; provided, however, that the charter entity may waive such deadline for good cause shown.

Charter School Organization (New York Education Law § 2853(1))

(a) Upon the approval of a charter by the Board of Regents, the Board of Regents shall incorporate the charter school as an education corporation for a term not to exceed five (5) years, provided however in the case of charters issued pursuant to § 2852(9-a) of the Act the Board of Regents shall incorporate the charter school as an

education corporation for a term not to exceed five (5) years in which instruction is provided to pupils plus the period commencing with the effective date of the charter and ending with the opening of the school for instruction. Such certificate of incorporation shall not modify or limit any terms of the charter approved by the Board of Regents. Upon approval of an application to renew a charter, the Board of Regents shall extend the certificate of incorporation for a term not to exceed five (5) years. Upon termination or nonrenewal of the charter of a charter school pursuant to § 2855 of the Act, the certificate of incorporation of the charter school shall be revoked by the Board of Regents pursuant to § 219 (change of charter) of the New York Education law, provided that compliance with the notice and hearing requirements of the Act shall be deemed to satisfy the notice and hearing requirements of § 219 of the New York Education law. It shall be the duty of the trustees of the charter school to obtain federal tax-exempt status no later than one year following approval of a charter school by the Board of Regents. For purposes of the Act, "certificate of incorporation" shall mean the provisional charter issued by the Board of Regents to form the charter school as an educational corporation pursuant to §§ 216 (charters) and 217 (provisional charters) of the New York Education Law.

(b) An education corporation organized to operate a charter school shall have all corporate powers necessary and desirable for carrying out a charter school program in accordance with the provisions of the Act, other applicable laws and regulations and the terms of the charter, including all of the powers of an education corporation formed to operate an elementary or secondary school and those powers granted under the provisions of the not-for-profit corporation law that are made applicable to charter schools by § 216-a (applicability of not-for-profit corporation law) of the New York Education Law. The powers of the trustees of the charter school shall include those powers specified in § 226 (powers of trustees of institutions) of the New York Education Law.

(b-1) An education corporation operating a charter school shall be authorized to operate more than one school or house any grade at more than one site, provided that a charter must be issued for each such additional school or site in accordance with the requirements for the issuance of a charter pursuant to the Act and that each such additional school or site shall count as a charter issued pursuant to § 2852(9) of the Act; and provided further that:

(i) a charter school may operate in more than one building at a single site; and

(ii) a charter school which provides instruction to its students at different locations for a portion of their school day shall be deemed to be operating at a single site.

(c) A charter school shall be deemed an independent and autonomous public school, except as otherwise provided in the Act and a political subdivision having boundaries coterminous with the school district or community school district in which the charter school is located. The charter entity and the Board of Regents shall be deemed to be the public agents authorized to supervise and oversee the charter school.

(d) The powers granted to a charter school under the Act constitute the performance of essential public purposes and governmental purposes of the state. A charter school shall be exempt to the same extent as other public schools from all taxation, fees, assessments or special ad valorem levies on its earnings and its property, including property leased by the charter school. Instruments of conveyance to or from a charter school and any bonds or notes issued by a charter school, together with the income therefrom, shall at all times be exempt from taxation.

(e) A charter school shall not have the power to levy taxes or to acquire property by eminent domain.

(f) The Board of Trustees of the charter school shall have final authority for policy and operational decisions of the school. Nothing herein shall prohibit the Board of Trustees of a charter school from delegating decision-making authority to officers and employees of the school in accordance with the provisions of the charter.

(g) Notwithstanding any provision of law to the contrary, no civil liability shall attach to any charter entity, the Board of Regents, or to any of their members or employees, individually or collectively, for any acts or omissions of the charter school. Neither the local school district, the charter entity nor the state shall be liable for the debts or financial obligations of a charter school or any person or corporate entity who operates a charter school.

Public and Private Assistance to Charter Schools (New York Education Law § 2853(4))

Effective until June 30, 2018:

(a) For purposes of §§ 701 (power to designate text-books; purchase and loan of text-books; purchase of supplies), 711 (aid for purchase of school library materials), 751 (aid for computer software purchases) and 912 (health and welfare services to all children) of the New York Education Law, a charter school shall be deemed a nonpublic school in the school district within which the charter school is located. Special education programs and services shall be provided to students with a disability attending a charter school in accordance with the individualized education program recommended by the committee or subcommittee on special education of the student's school district of residence. The charter school may arrange to have such services provided by such school district of residence or by the charter school directly or by contract with another provider. Where the charter school arranges to have the school district of residence provide such special education programs or services, such school district shall provide services in the same manner as it serves students with disabilities in other public schools in the school district, including the provision of supplementary and related services on site to the same extent to which it has a policy or practice of providing such services on the site of such other public schools.

Effective June 30, 2018:

(a) For purposes of §§ 701 (power to designate text-books; purchase and loan of text-books; purchase of supplies), 711 (aid for purchase of school library materials), 751 (aid for computer software purchases) and 912 (health and welfare services to all children) of the New York Education Law, a charter school shall be deemed a nonpublic school in the school district within which the charter school is located. Special education programs and services shall be provided to students with a disability attending a charter school in accordance with the individualized education program recommended by the committee or subcommittee on special education of the student's school district of residence. The charter school may arrange to have such services provided by such school district of residence or by the charter school directly or by contract with another provider.

(b) For purposes of § 3635 (transportation) of the New York Education Law, a charter school shall be deemed a nonpublic school. The charter and application therefor shall set forth the manner in which students ineligible for transportation pursuant to § 3635 of the New York Education Law shall be transported to and from school. Any supplemental transportation provided by a charter school shall comply with all transportation safety laws and regulations applicable to other public schools. A school district may enter into a contract for the provision of supplemental transportation services to a charter school, and any such services shall be provided by the school district at cost.

(c) A charter school may contract with the governing body of a public college or university for the use of a school building and grounds, the operation and maintenance thereof. Any such contract shall provide such services or facilities at cost. A school district shall permit any charter school granted approval to co–locate, to use such services and facilities without cost. Notwithstanding any provision of law to the contrary, any approval prior to January 1, 2014, pursuant to § 2590–g(1)(h) of New York Education Law, of a significant change in school utilization relating to the co–location of a school authorized pursuant to the Act or to allocate such school space in a district school building made prior to the implementation of the requirements of § 2590–g(1)(h) of New York Education Law shall not, on or after January 21, 2014, be altered, revised, amended, overturned or withdrawn by the board of education or the chancellor as of January 21, 2014 fail to be implemented without the consent of the charter school approved for co–location in a public school building unless such charter school is no longer authorized pursuant to the Act.

(d) Private persons and organizations are encouraged to provide funding and other assistance to the establishment or operation of charter schools.

(e) The school district of residence of children attending a charter school may, but is not required to, allow such children to participate in athletic and extra-curricular activities of the district's schools.

Applicability of Other Laws (New York Education Law § 2854(1))

(a) Notwithstanding any provision of law to the contrary, to the extent that any provision of the Act is inconsistent with any other state or local law, rule or regulation, the provisions of the Act shall govern and be controlling.

(b) A charter school shall meet the same health and safety, civil rights, and student assessment requirements applicable to other public schools, except as otherwise specifically provided in the Act. A charter school shall be exempt from all other state and local laws, rules, regulations or policies governing public or private schools, boards of education, school districts and political subdivisions, including those relating to school personnel and students, except as specifically provided in the school's charter or in the Act. Nothing in this section shall affect the requirements of compulsory education of minors established by Part 1 of Article 65 (compulsory education) of the New York Education Law.

(c) A charter school shall be subject to the financial audits, the audit procedures, and the audit requirements set forth in the charter and shall be subject to audits of the comptroller of the city school district of the city of New York for charter schools located in New York city, and to audits of the New York State Comptroller for charter schools located in the rest of the state, at his or her discretion, with respect to the school's financial operations. Such procedures and standards shall be consistent with generally accepted accounting and audit standards. Independent fiscal audits shall be required at least once annually.

(d) A charter school shall design its educational programs to meet or exceed the student performance standards adopted by the Board of Regents and the student performance standards contained in the charter. Students attending charter school shall be required to take Regents examinations to the same extent such examinations are required of other public school students. A charter school offering instruction in the high school grades may grant Regents diplomas and local diplomas to the same extent as other public schools, and such other certificates and honors as are specifically authorized by their charter, and in testimony thereof give suitable certificates, honors and diplomas under its seal; and every certificate and diploma so granted shall entitle the conferee to all privileges and immunities which by usage or statute are allowed for similar diplomas of corresponding grade granted by any other public school.

(e) A charter school shall be subject to the provisions of the New York Freedom of Information Law and New York Open Meetings Law.

(f) A charter school shall be subject to the provisions of §§ 800 (definitions), 801 (conflicts of interest prohibited), 802 (exceptions), 803 (disclosure of interest), 804 (contracts void), 804-a (certain interests prohibited), 805 (violations), 805-a (certain action prohibited), 805-b (solemnization of marriages) and 806 (code of ethics) of the General Municipal Law to the same extent such sections apply to school districts.

Admission; Enrollment; Students (New York Education Lawn § 2854(2))

(a) A charter school shall be nonsectarian in its programs, admission policies, employment practices, and all other operations and shall not charge tuition or fees; provided that a charter school may require the payment of fees on the same basis and to the same extent as other public schools. A charter school shall not discriminate against any student, employee or any other person on the basis of ethnicity, national origin, gender, or disability or any other ground that would be unlawful if done by a school. Admission of students shall not be limited on the basis of intellectual ability, measures of achievement or aptitude, athletic ability, disability, race, creed, gender, national origin, religion, or ancestry; provided, however, that nothing in the Act shall be construed to prevent the establishment of a single-sex charter school or a charter school designed to provide expanded learning opportunities for students at-risk of academic failure or students with disabilities and English language learners; and provided, further, that the charter school shall demonstrate good faith efforts to attract and retain a comparable or greater enrollment of students with disabilities, English language learners, and students who are eligible applicants for the free and reduced price lunch program when compared to the enrollment figures for such students in the school district in which the charter school is located. A charter shall not be issued to any school that would be wholly or in part under the control or direction of any religious denomination, or in which any denominational tenet or doctrine would be taught.

(b) Any child who is qualified under the laws of this state for admission to a public school is qualified for admission to a charter school. Applications for admission to a charter school shall be submitted on a uniform application form created by the department and shall be made available by a charter school in languages predominately spoken in the community in which such charter school is located. The school shall enroll each eligible student who submits a timely application by the first day of April each year, unless the number of applications exceeds the capacity of the grade level or building. In such cases, students shall be accepted from among applicants by a random selection process, provided, however, that an enrollment preference shall be provided to pupils returning to the charter school in the second or any subsequent year of operation and pupils residing in the school district in which the charter school is located, and siblings of pupils already enrolled in the charter school. Preference may also be provided to children of employees of the charter school or charter management organization, provided that such children of employees may constitute no more than 15% of the charter school's total enrollment. The Commissioner shall establish regulations to require that the random selection process conducted pursuant to this paragraph be performed in a transparent and equitable manner and to require that the time and place of the random selection process be publicized in a manner consistent with the requirements of §104 of the Public Officers Law and be open to the public. For purposes of this paragraph and paragraph (a) above, the school district in which the charter school is located shall mean, for the city school district of the city of New York, the community district in which the charter school is located.

(c) A charter school shall serve one or more of the grades one through twelve, and shall limit admission to pupils within the grade levels served. Nothing in the Act shall prohibit a charter school from establishing a kindergarten program.

(d) A student may withdraw from a charter school at any time and enroll in a public school. A charter school may refuse admission to any student who has been expelled or suspended from a public school until the period of suspension or expulsion from the public school has expired, consistent with the requirements of due process.

Causes for Revocation or Termination (New York Education Law § 2855)

The charter entity, or the Board of Regents, may terminate a charter upon any of the following grounds:

(a) When a charter school's outcome on student assessment measures adopted by the Board of Regents falls below the level that would allow the Commissioner to revoke the registration of another public school, and student achievement on such measures has not shown improvement over the preceding three school years;

(b) Serious violations of law;

(c) Material and substantial violation of the charter, including fiscal mismanagement;

(d) When the public employment relations board makes a determination that the charter school demonstrates a practice and pattern of egregious and intentional violations of § 209-a(i) (improper employer practices) of the Civil Service Law involving interference with or discrimination against employee rights under Article 14 (Public Employees' Fair Employment Act) of the Civil Service Law; or

(e) Repeated failure to comply with the requirement to meet or exceed enrollment and retention targets of students with disabilities, English language learners, and students who are eligible applicants for the free and reduced price lunch program pursuant to targets established by the Board of Regents or the Board of Trustees of the State University of New York, as applicable. Provided, however, if no grounds for terminating a charter are established pursuant to § 2855 of the Act other than pursuant to this paragraph (e), and the charter school demonstrates that it has made extensive efforts to recruit and retain such students, including outreach to parents and families in the surrounding communities, widely publicizing the lottery for such school, and efforts to academically support such students in such charter school, then the charter entity or Board of Regents may retain such charter.

Notice of intent to revoke a charter shall be provided to the Board of Trustees of a charter school at least thirty (30) days prior to the effective date of the proposed revocation. Such notice shall include a statement of

reasons for the proposed revocation. The charter school shall be allowed at least thirty (30) days to correct the problems associated with the proposed revocation. Prior to revocation of the charter, a charter school shall be provided an opportunity to be heard, consistent with the requirements of due process. Upon the termination of a charter, the charter school shall proceed with dissolution pursuant to the procedures of the charter and direction of the charter entity and the Board of Regents.

In addition to the provisions of the paragraph above, the charter entity or the Board of Regents may place a charter school falling within the provisions of paragraphs (a) through (e) above on probationary status to allow the implementation of a remedial action plan. The failure of a charter school to comply with the terms and conditions of a remedial action plan may result in summary revocation of the school's charter.

Any individual or group may bring a complaint to the Board of Trustees of a charter school alleging a violation of the provisions of the Act, the charter, or any other provision of law relating to the management or operation of the charter school. If, after presentation of the complaint to the Board of Trustees of a charter school, the individual or group determines that such board has not adequately addressed the complaint, they may present that complaint to the charter entity, which shall investigate and respond. If, after presentation of the complaint to the charter entity, the individual or group determines that the charter entity has not adequately addressed the complaint, they may present that complaint to the Board of Regents, which shall investigate and respond. The charter entity and the Board of Regents shall have the power and the duty to issue appropriate remedial orders to charter schools under their jurisdiction to effectuate the provisions of this section.

The regulatory power of the Board of Regents and the Commissioner shall not extend to charter schools except as otherwise specifically provided in the Act.

Review and Assessment (New York Education Law §§ 2857(2), 2857(3) and 2857(5))

Each charter school shall submit to the charter entity and to the Board of Regents an annual report. Such report shall be issued no later than the first day of August of each year for the preceding school year and shall be made publicly available by such date and shall be posted on the charter school's website. The annual report shall be in such form as shall be prescribed by the Commissioner and shall include at least the following components:

(a) a charter school report card, which shall include measures of the comparative academic and fiscal performance of the school, as prescribed by the Commissioner in regulations adopted for such purpose. Such measures shall include, but not be limited to, graduation rates, dropout rates, performance of students on standardized tests, college entry rates, total spending per pupil and administrative spending per pupil. Such measures shall be presented in a format that is easily comparable to similar public schools. In addition, the charter school shall ensure that such information is easily accessible to the community including making it publicly available by transmitting it to local newspapers of general circulation and making it available for distribution at board of trustee meetings;

(b) discussion of the progress made towards achievement of the goals set forth in the charter;

(c) a certified financial statement setting forth, by appropriate categories, the revenues and expenditures for the preceding school year, including a copy of the most recent independent fiscal audit of the school and any audit conducted by the New York State Comptroller; and

(d) efforts taken by the charter school in the existing school year, and a plan for efforts to be taken in the succeeding school year, to meet or exceed enrollment and retention targets set by the Board of Regents or the Board of Trustees of the State University of New York, as applicable, of students with disabilities, English language learners, and students who are eligible applicants for the free and reduced price lunch program established pursuant to § 2851(4)(e) of the Act.

The Board of Regents shall report annually to the governor, the temporary president of the senate, and the speaker of the assembly the following information:

(a) The number, distribution, and a brief description of new charter schools established during the preceding year;

(a-1) A list including the number of charter schools closed during the preceding year, and a brief description of the reasons therefor including, but not limited to, non-renewal of the charter or revocation of the charter;

(B) The department's assessment of the current and projected programmatic and fiscal impact of charter schools on the delivery of services by school districts;

(c) The academic progress of students attending charter schools, as measured against comparable public and nonpublic schools with similar student population characteristics wherever practicable;

(d) A list of all actions taken by a charter entity on charter application and the rationale for the renewal or revocation of any charters; and

(e) Any other information regarding charter schools that the Board of Regents deems necessary. The format for this annual report shall be developed in consultation with representatives of school districts and charter school officials.

The Board of Regents shall on an annual basis review and make available to school districts best educational practices employed by charter schools.

Facilities (New York Education Law § 2853-3)

(a) A charter school may be located in part of an existing public school building, in space provided on a private work site, in a public building or in any other suitable location. Provided, however, before a charter school may be located in part of an existing public school building, the charter entity shall provide notice to the parents or guardians of the students then enrolled in the existing school building and shall hold a public hearing for purposes of discussing the location of the charter school. A charter school may own, lease or rent its space.

(a-1) (i) For charters issued pursuant to § 2852(9-a) of the Act located outside a city school district in a city having a population of 1,000,000 or more inhabitants, the department shall approve plans and specifications and issue certificates of occupancy for such charter schools. Such charter schools shall comply with all department health, sanitary, and safety requirements applicable to facilities and shall be treated the same as other public schools for purposes of local zoning, land use regulation and building code compliance. Provided however, that the department shall be authorized to grant specific exemptions from the requirements of this paragraph to charter schools upon a showing that compliance with such requirements creates an undue economic hardship or that some other good cause exists that makes compliance with this paragraph extremely impractical. A demonstrated effort to overcome the stated obstacles must be provided.

(ii) In a city school district in a city with a population of 1,000,000 or more, all charters authorized to be issued by the chapter of the laws of 2010 which amended this subdivision shall be obligated to comply with the department's health, safety and sanitary requirements applicable to facilities to the same extent as non-charter public schools in such a city school district.

(a-2) A charter school shall be deemed a nonpublic school for purposes of local zoning, land use regulation and building code compliance if it has been granted an exemption by the department pursuant to paragraph (a-1) above or if its charter was not issued pursuant to § 2852(9-a) of the Act.

(a-3) (1) Before a charter school may be located or co-located in an existing public school building in a city school district in a city having a population of 1,000,000 or more inhabitants, the chancellor shall identify which public school buildings may be subject to location or co-location, provide the rationale as to why such public school building is identified for location or co-location and shall make all such information publicly available, including via the city board's official internet website. In addition, the chancellor shall provide widespread notice of such information including to the community superintendent, community district education council and the school-

based management team. After a public school building has been selected for a proposed location or co-location, the chancellor shall develop a building usage plan in accordance with the Act.

(a-4) In a city school district in a city having a population of 1,000,000 or more inhabitants, a shared space committee shall be established in each public school building in which one or more charter schools are located or co-located within a public school building with non-charter public schools. The shared space committee shall be comprised of the principal, a teacher, and a parent of each co-located school. Such committee shall conduct regular meetings, at least four times per school year, to review implementation of the building usage plan developed pursuant to the Act.

(a-5) Notwithstanding any provision to the contrary, in a city school district in a city having a population of 1,000,000 or more inhabitants, the determination to locate or co-locate a charter school within a public school building and the implementation of and compliance with the building usage plan developed pursuant to the Act that has been approved by the board of education of such city school district pursuant to the New York Education law and after satisfying the requirements of the New York Education law may be appealed to the commissioner pursuant to applicable provisions of the New York Education law. Provided further, the revision of a building usage plan approved by the board of education consistent with the requirements pursuant to the New York Education law may also be appealed to the commissioner on the grounds that such revision fails to meet the standards set forth in the Act. Following a petition for such appeal pursuant to this paragraph, such city school district shall have ten days to respond. The petition must be dismissed, adjudicated or disposed of by the commissioner within ten days of the receipt of the city school district's response.

(b) A charter school may pledge, assign or encumber its assets to be used as collateral for loans or extensions of credit; provided, however, that a charter school shall not pledge or assign monies provided, or to be provided, pursuant to § 2856(1) of the Act in connection with the purchase or construction, acquisition, reconstruction, rehabilitation or improvement of a school facility.

(c) The office of general services shall annually publish a list of vacant and unused buildings and vacant and unused portions of buildings that are owned by the state and that may be suitable for the operation of a charter school. Such list shall be provided to applicants for charter schools and to existing charter schools. At the request of a charter school or a prospective applicant, a school district shall make available a list of vacant and unused school buildings and vacant and unused portions of school buildings, including private school buildings, within the school district that may be suitable for the operation of a charter school.

(d) Notwithstanding any other provision to the contrary, in a city school district in a city having a population of 1,000,000 or more inhabitants, the chancellor must first authorize in writing any proposed capital improvements or facility upgrades in excess of $5,000, regardless of the source of funding, made to accommodate the co-location of a charter school within a public school building. For any such improvements or upgrades that have been approved by the chancellor, capital improvements or facility upgrades shall be made in an amount equal to the expenditure of the charter school for each non-charter public school within the public school building. For any capital improvements or facility upgrades in excess of $5,000 that have been approved by the chancellor, regardless of the source of funding, made in a charter school that is already co-located within a public school building, matching capital improvements or facility upgrades shall be made in an amount equal to the expenditure of the charter school for each non-charter public school within the public school building within three months of such improvements or upgrades.

(e) In a city school district in a city having a population of 1,000,000 or more inhabitants, charter schools that first commence instruction or that require additional space due to an expansion of grade level, pursuant to the Act, approved by their charter entity for the 2014-2015 school year or thereafter and request co-location in a public school building shall be provided access to facilities pursuant to § 2853-3(e) of the Act for such charter schools that first commence instruction or that require additional space due to an expansion of grade level, pursuant to the Act, approved by their charter entity for those grades newly provided.

(1) Notwithstanding any other provision of law to the contrary, within the later of (i) five months after a charter school's written request for co-location and (ii) 30 days after the charter school's charter is approved by its charter entity, the city school district shall either: (A) offer at no cost to the

charter school a co-location site in a public school building approved by the Board of Education as provided by law, or (B) offer the charter school space in a privately owned or other publicly owned facility at the expense of the city school district and at no cost to the charter school. The space must be reasonable, appropriate and comparable and in the community school district to be served by the charter school and otherwise in reasonable proximity.

(2) No later than 30 days after approval by the Board of Education or expiration of the offer period prescribed in paragraph (1) above, the charter school shall either accept the city school district's offer or appeal in accordance with paragraph (3) below. If no appeal is taken, the city's offer or refusal to make an offer is final and non-reviewable. The charter school may appeal as early as issuance of an educational impact statement for the proposed co-location.

(3) The charter school shall have the option of appealing the city school district's offer or failure to offer a co-location site through binding arbitration in accordance with the Act, an expedited appeal to the Commissioner pursuant to applicable provisions of the New York Education Law, or a special proceeding pursuant to Article 78 of the civil practice law and rules. In any such appeal, the standard of review is the standard prescribed in § 7803 of the civil practice law and rules.

(4) If the appeal results in a determination in favor of the city school district, the city's offer is final and the charter school may either accept such offer and move into the space offered by the city school district at the city school district's expense, or locate in another site at the charter school's expense.

(5) For a new charter school whose charter is granted or for an existing charter school whose expansion of grade level, pursuant to the Charter Schools Act, is approved by their charter entity, if the appeal results in a determination in favor of the charter school, the city school district will pay the charter school an amount attributable to the grade level expansion or the formation of the new charter school that is equal to the lesser of:

(A) the actual rental cost of an alternative privately owned site selected by the charter school or

(B) 30% of the product of the Charter School Basic Tuition for the current school year and (i) for a new charter school that first commences instruction on or after July 1, 2014, the charter school's current year enrollment; or (ii) for a charter school which expands its grade level, pursuant to the Act, the positive difference of the charter school's enrollment in the current school year minus the charter school's enrollment in the school year prior to the first year of the expansion.

Financing of Charter Schools (New York Education Law § 2856)

Effective Until June 30, 2018:

(a) The enrollment of students attending charter schools shall be included in the enrollment, attendance, membership and, if applicable, count of students with disabilities of the school district in which the pupil resides. The charter school shall report all such data to the school districts of residence in a timely manner. Each school district shall report such enrollment, attendance and count of students with disabilities to the department. The school district of residence shall pay directly to the charter school for each student enrolled in the charter school who resides in the school district the Charter School Basic Tuition which shall be:

(i) for school years prior to the 2009-2010 school year, an amount equal to 100% of the amount calculated pursuant §3602(1)(f) of the New York Education Law for the school district for the year prior to the Base Year increased by the percentage change in the State Total Approved Operating Expense calculated pursuant to §3602(1)(t) of the New York Education Law from two years prior to the Base Year to the Base Year;

(ii) for the 2009-2010 school year, the Charter School Basic Tuition shall be the amount payable by such district as Charter School Basic Tuition for the 2008-2009 school year;

(iii) for the 2010-2011 through 2013-2014 school years, the Charter School Basic Tuition shall be the basic tuition computed for the 2010-2011 school year pursuant to the provisions of subparagraph (i) above;

(iv) for the 2014–2015 through 2016–2017 school years, the Charter School Basic Tuition shall be the sum of the lesser of the Charter School Basic Tuition computed for the 2010–2011 school year pursuant to the provisions of subparagraph (i) above or the Charter School Basic Tuition computed for the current year pursuant to the provisions of subparagraph (i) above plus the supplemental basic tuition;

(v) for the 2017-2018 school year, the Charter School Basic Tuition shall be the sum of (A) the Charter School Basic Tuition for the 2016-2017 school year plus (B) $500;

(vi) for the 2018-2019 school year, the Charter School Basic Tuition shall be the lesser of (A) the product of (i) the Charter School Basic Tuition calculated for the Base Year multiplied by (ii) the average of the quotients for each school year in the period commencing with the year five years prior to the Base Year and finishing with the year prior to the Base Year of the Total Approved Operating Expense for such school district calculated pursuant to § 3602(l)(t) of the New York Education Law for each such year divided by the Total Approved Operating Expense for such district for the immediately preceding year, provided that the highest and lowest annual quotients shall be excluded from the calculation of such average or (B) the quotient of the total general fund expenditures for the school district calculated pursuant to an electronic data file created for the purpose of compliance with § 305(21)(b) of the New York Education Law published annually on May 15th for the year prior to the Base Year divided by the total estimated public enrollment for the school district pursuant to § 3602(l)(n) of the New York Education Law for the year prior to the Base Year;

(vii) for the 2019-2020 school year the Charter School Basic Tuition shall be the lesser of (A) the product of (i) the Charter School Basic Tuition calculated for the Base Year multiplied by (ii) the average of the quotients for each school year in the period commencing with the year three years prior to the Base Year and finishing with the year prior to the base year of the Total Approved Operating Expense for such school district calculated pursuant to § 3602(l)(t) of the New York Education Law for each such year divided by the total approved operating expense for such district for the immediately preceding year provided that the highest annual quotient calculated pursuant to this subparagraph shall be replaced by the average quotient calculated pursuant to subparagraph (vi) of this paragraph or (B) the quotient of the total general fund expenditures for the school district calculated pursuant to an electronic data file created for the purpose of compliance with § 305(21)(b) of the New York Education Law published annually on May 15th for the year prior to the base year divided by the total estimated public enrollment for the school district pursuant to § 3602(l)(n) of the New York Education Law for the year prior to the Base Year;

(viii) for the 2020-2021 school year and thereafter, the Charter School Basic Tuition shall be the lesser of (A) the product of (i) the Charter School Basic Tuition calculated for the Base Year multiplied by (ii) the average of the quotients for each school year in the period commencing with the year three years prior to the Base Year and finishing with the year prior to the Base Year of the Total Approved Operating Expense for such school district calculated pursuant to § 3602(1)(t) of the New York Education Law for each such year divided by the Total Approved Operating Expense for such district for the immediately preceding year or (B) the quotient of the total general fund expenditures for the school district calculated pursuant to an electronic data file created for the purpose of compliance with § 305(21)(b) of the New York Education Law published annually on May 15th for the year prior to the Base Year divided by the total estimated public enrollment for the school district pursuant to § 3602(l)(n) of the New York Education Law for the year prior to the Base Year.

For the purposes of this subdivision, the "supplemental basic tuition" shall be (A) for a school district for which the Charter School Basic Tuition for the current year is greater than or equal to the Charter School Basic Tuition for the 2010-2011 school year pursuant to the provisions of subparagraph (i)

of this paragraph, (1) for the 2014-2015 school year $250, (2) for the 2015-2016 school year $350, (3) for the 2016-2017 school year $500, and (4) for the 2017-2018 school year and thereafter, the sum of (i) the supplemental basic tuition calculated for the 2016-2017 school year plus (ii) $500, and (B) for school years prior to the 2017-2018 school year, for a school district for which the Charter School Basic Tuition for the 2010-2011 school year is greater than the Charter School Basic Tuition for the current year pursuant to the provisions of subparagraph (i) of this paragraph, the positive difference of the Charter School Basic Tuition for the 2010-2011 school year minus the Charter School Basic Tuition for the current year pursuant to the provisions of subparagraph (i) of this paragraph and (C) for school years following the 2016-2017 schools years, for a school district for which the Charter School Basic Tuition for the 2010-2011 school year is greater than the Charter School Basic Tuition for the current year pursuant to the provisions of subparagraph (i) of this paragraph, the sum of (i) the supplemental basic tuition calculated for the 2016-2017 school year plus (ii) $500.

(b) The school district shall also pay directly to the charter school any federal or state aid attributable to a student with a disability attending charter school in proportion to the level of services for such student with a disability that the charter school provides directly or indirectly. Notwithstanding anything in this section to the contrary, amounts payable pursuant to this section from State or local funds may be reduced pursuant to an agreement between the school and the charter entity set forth in the charter. Payments made pursuant to this section shall be made by the school district in six substantially equal installments each year beginning on the first business day of July and every two months thereafter. Amounts payable under this section shall be determined by the Commissioner. Amounts payable to a charter school in its first year of operation shall be based on the projections of initial-year enrollment set forth in the charter until actual enrollment data is reported to the school district by the charter school. Such projections shall be reconciled with the actual enrollment as actual enrollment data is so reported and at the end of the school's first year of operation and each subsequent year based on a final report of actual enrollment by the charter school, and any necessary adjustments resulting from such final report shall be made to payments during the school's following year of operation.

(c) Notwithstanding any other provision of this subdivision to the contrary, payment of the federal aid attributable to a student with a disability attending a charter school shall be made in accordance with the requirements of § 8065-a of Title 20 of the United States Code and §§ 76.785-76.799 and 300.209 of Title 34 of the code of federal regulations.

(d) School districts shall be eligible for an annual apportionment equal to the amount of the supplemental basic tuition for the charter school in the Base Year for the expenses incurred in the 2014-2015, 2015-2016, and 2016-2017 school years and thereafter.

Effective June 30, 2018:

(a) The enrollment of students attending charter schools shall be included in the enrollment, attendance and, if applicable, count of students with disabilities of the school district in which the pupil resides. The charter school shall report all such data to the school districts of residence in a timely manner. Each school district shall report such enrollment, attendance and count of students with disabilities to the department. The school district of residence shall pay directly to the charter school for each student enrolled in the charter school who resides in the school district the Charter School Basic Tuition which shall be:

(i) for school years prior to the 2009-2010 school year, an amount equal to 100% of the amount calculated pursuant §3602(1)(f) of the New York Education Law for the school district for the year prior to the Base Year increased by the percentage change in the State Total Approved Operating Expense calculated pursuant to §3602(1)(t) of the New York Education Law from two years prior to the Base Year to the Base Year;

(ii) for the 2009-2010 school year, the Charter School Basic Tuition shall be the amount payable by such district as Charter School Basic Tuition for the 2008-2009 school year;

(iii) for the 2010-2011 through 2013-2014 school years, the Charter School Basic Tuition shall be the basic tuition computed for the 2010-2011 school year pursuant to the provisions of subparagraph (i) above;

(iv) for the 2014–2015 through 2016–2017 school years, the Charter School Basic Tuition shall be the sum of the lesser of the Charter School Basic Tuition computed for the 2010–2011 school year pursuant to the provisions of subparagraph (i) above or the Charter School Basic Tuition computed for the current year pursuant to the provisions of subparagraph (i) above plus the supplemental basic tuition;

(v) for the 2017-2018 school year, the Charter School Basic Tuition shall be the sum of (A) the Charter School Basic Tuition for the 2016-2017 school year plus (B) $500;

(vi) for the 2018-2019 school year, the Charter School Basic Tuition shall be the lesser of (A) the product of (i) the Charter School Basic Tuition calculated for the Base Year multiplied by (ii) the average of the quotients for each school year in the period commencing with the year five years prior to the Base Year and finishing with the year prior to the Base Year of the Total Approved Operating Expense for such school district calculated pursuant to § 3602(l)(t) of the New York Law Education Law for each such year divided by the Total Approved Operating Expense for such district for the immediately preceding year, provided that the highest and lowest annual quotients shall be excluded from the calculation of such average or (B) the quotient of the total general fund expenditures for the school district calculated pursuant to an electronic data file created for the purpose of compliance with § 305(21)(b) of the New York Education Law published annually on May 15th for the year prior to the Base Year divided by the total estimated public enrollment for the school district pursuant to § 3602(l)(n) of the New York Education Law for the year prior to the Base Year;

(vii) for the 2019-2020 school year the Charter School Basic Tuition shall be the lesser of (A) the product of (i) the Charter School Basic Tuition calculated for the Base Year multiplied by (ii) the average of the quotients for each school year in the period commencing with the year three years prior to the Base Year and finishing with the year prior to the Base Year of the Total Approved Operating Expense for such school district calculated pursuant to § 3602(l)(t) of the New York Education Law for each such year divided by the Total Approved Operating Expense for such district for the immediately preceding year provided that the highest annual quotient calculated pursuant to this subparagraph shall be replaced by the average quotient calculated pursuant to subparagraph (vi) of this paragraph or (B) the quotient of the total general fund expenditures for the school district calculated pursuant to an electronic data file created for the purpose of compliance with § 305(21)(b) of the New York Education Law published annually on May 15th for the year prior to the base year divided by the total estimated public enrollment for the school district pursuant to § 3602(l)(n) of the New York Education Law for the year prior to the Base Year;

(viii) for the 2020-2021 school and thereafter, the Charter School Basic Tuition shall be the lesser of (A) the product of (i) the Charter School Basic Tuition calculated for the Base Year multiplied by (ii) the average of the quotients for each school year in the period commencing with the year three years prior to the Base Year and finishing with the year prior to the Base Year of the Total Approved Operating Expense for such school district calculated pursuant to § 3602(1)(t) of the New York Education Law for each such year divided by the Total Approved Operating Expense for such district for the immediately preceding year or (B) the quotient of the total general fund expenditures for the school district calculated pursuant to an electronic data file created for the purpose of compliance with § 305(21)(b) of the New York Education Law published annually on May 15th for the year prior to the Base Year divided by the total estimated public enrollment for the school district pursuant to § 3602(l)(n) of the New York Education Law for the year prior to the Base Year;

For the purposes of this subdivision, the "supplemental basic tuition" shall be (A) for a school district for which the Charter School Basic Tuition for the current year is greater than or equal to the Charter School Basic Tuition for the 2010-2011 school year pursuant to the provisions of subparagraph (i) of this paragraph, (1) for the 2014-2015 school year $250, (2) for the 2015-2016 school year $350, (3) for the 2016-2017 school year $500, and (4) for the 2017-2018 school year and thereafter, the sum of (i) the supplemental basic tuition calculated for the 2016-2017 school year plus (ii) $500, and (B) for school years

prior to the 2017-2018 school year, for a school district for which the Charter School Basic Tuition for the 2010-2011 school year is greater than the Charter School Basic Tuition for the current year pursuant to the provisions of subparagraph (i) of this paragraph, the positive difference of the Charter School Basic Tuition for the 2010-2011 school year minus the Charter School Basic Tuition for the current year pursuant to the provisions of subparagraph (i) of this paragraph and (C) for school years following the 2016-2017 schools years, for a school district for which the Charter School Basic Tuition for the 2010-2011 school year is greater than the Charter School Basic Tuition for the current year pursuant to the provisions of subparagraph (i) of this paragraph, the sum of (i) the supplemental basic tuition calculated for the 2016-2017 school year plus (ii) $500.

(b) The school district shall also pay directly to the charter school any federal or state aid attributable to a student with a disability attending charter school in proportion to the level of services for such student with a disability that the charter school provides directly or indirectly. Notwithstanding anything in this section to the contrary, amounts payable pursuant to this section from State or local funds may be reduced pursuant to an agreement between the school and the charter entity set forth in the charter. Payments made pursuant to this section shall be made by the school district in six substantially equal installments each year beginning on the first business day of July and every two months thereafter. Amounts payable under this section shall be determined by the Commissioner. Amounts payable to a charter school in its first year of operation shall be based on the projections of initial-year enrollment set forth in the charter. Such projections shall be reconciled with the actual enrollment at the end of the school's first year of operation, and any necessary adjustments shall be made to payments during the school's second year of operation.

(c) School districts shall be eligible for an annual apportionment equal to the amount of the supplemental basic tuition for the charter school in the Base Year for the expenses incurred in the 2014-2015, 2015-2016, and 2016-2017 school years and thereafter.

In the event of the failure of the school district to make payments required by this section, the state comptroller shall deduct from any state funds which become due to such school district an amount equal to the unpaid obligation. The comptroller shall pay over such sum to the charter school upon certification of the commissioner. The commissioner shall promulgate regulations to implement the provisions of this subdivision.

Nothing in the Act shall be construed to prohibit any person or organization from providing funding or other assistance to the establishment or operation of a charter school. The board of trustees of a charter school is authorized to accept gifts, donations or grants of any kind made to the charter school and to expend or use such gifts, donations or grants in accordance with the conditions prescribed by the donor; provided, however, that no gift, donation or grant may be accepted if subject to a condition that is contrary to any provision of law or term of the charter.

Charter School Basic Tuition (New York Education Law § 3602)

As referenced in § 2856 of the Act, the amount calculated pursuant to § 3602(1)(f) of the New York Education Law is "Expense per Pupil" which is defined as Approved Operating Expense for the year prior to the Base Year divided by the sum, computed using year prior to the Base Year pupil counts, of the Total Aidable Pupil Units plus Weighted Pupils with Disabilities. Expense per Pupil for each borough in the city school district of the City of New York shall be the Expense per Pupil of the entire city school district.

"Base Year" shall mean the school year immediately preceding the current year.

"Weighted Pupils With Disabilities" shall be computed as follows:

(a) "Pupils with disabilities" shall mean pupils of school age who are identified as students with disabilities pursuant to Article 89 (Children with Handicapping Conditions) of the New York Education Law and the regulations of the Commissioner and who receive special education services or attend special education programs which meet criteria established by the Commissioner, operated by a school district eligible for total foundation aid pursuant to this section or by a board of cooperative educational services, whether or not the school district is a component of such board.

(b) "Weighted Pupils with Disabilities" shall mean the attendance, as defined in the regulations of the Commissioner, of pupils with disabilities who have been determined by a school district committee on special education to require any of the following types and levels of programs or services specified in this paragraph, and who receive such programs and services from the school district of attendance during the Base Year, multiplied by a special services weighting determined as follows:

(i) for placement for 60% or more of the school day in a special class, or home or hospital instruction for a period of more than 60 days, or special services or programs for more than 60% of the school day, the special services weighting shall be 170%;

(ii) for placement for 20% or more of the school week in a resource room or special services or programs including related services required for 20% or more of the school week, or in the case of pupils in grades 7-12 or a multi-level middle school program as defined by the Commissioner or in the case of pupils in grades 4-6 in an elementary school operating on a period basis, the equivalent of five periods per week, but not less than the equivalent of 180 minutes in a resource room or in other special services or programs including related services, or for at least two hours per week of direct or indirect consultant teacher services, in accordance with regulations of the Commissioner adopted for such purpose, the special services weighting shall be 90%.

Computation of Total Aidable Pupil Units. A district's Total Aidable Pupil Units shall be the sum of the district's Adjusted Average Daily Attendance computed pursuant to this section for the year prior to the Base Year multiplied by the Enrollment Index computed pursuant to this section for the Base Year plus the Additional Aidable Pupil Units computed for the year prior to the Base Year under paragraph (b) below.

(a) For purposes of this section Adjusted Average Daily Attendance of a school district for any school year shall be computed as follows:

(1) Adjusted Average Daily Attendance shall be determined by using the average daily attendance of public school pupils in a full-day kindergarten and grades 1-12 as the basic unit, with the attendance of such pupils in one-half day kindergartens measured at one-half of such basic unit. The sum of all such units of attendance shall be the Adjusted Average Daily Attendance.

(2) In computing such attendance, the school district shall (i) determine the number of religious holidays which fall on a school day within a school year according to regulations established by the Commissioner, such religious holidays to be duly recognized as such for purposes of this section by duly adopted resolution of the board of education; (ii) deduct the aggregate attendance on such religious holidays from the total aggregate attendance, by grade level; (iii) deduct such religious holidays from the total number of days of session, by grade level; (iv) compute the Adjusted Average Daily Attendance for the school year.

(3) In any instance where a pupil is a resident of another state or an Indian pupil is a resident of any portion of a reservation located wholly or partly within the borders of the state pursuant to § 4101(4) (duties of Commissioner regarding Indian children) of the New York Education Law or a pupil is living on federally owned land or property, such pupil's attendance shall be counted as part of the Adjusted Average Daily Attendance of the school district in which such pupil is enrolled.

(b) *Computation of Additional Aidable Pupil Units.* The Additional Aidable Pupil Units used to compute Total Aidable Pupil Units pursuant to this section shall be the sum of the attendance of summer session pupils multiplied by 12% and the Weighted Pupils with Special Educational Needs. Nothing contained in this paragraph shall be construed to result in the inclusion of the attendance of summer session pupils in the computation of weighted or Adjusted Average Daily Attendance pursuant to this section.

"Enrollment Index" shall be computed by dividing the public school enrollment for the current year by public school enrollment for the Base Year, both as defined in the New York Education Law, with the result carried to three places without rounding.

"Enrollment" shall mean the unduplicated count of all children registered to receive educational services in grades kindergarten through twelve, including children in ungraded programs, as registered on the date prior to November first that is specified by the Commissioner as the enrollment reporting date for the school district or nonpublic school, as reported to the Commissioner.

"Public school district enrollment" shall mean the sum of: (1) the number of children on a regular enrollment register of a public school district on such date; (2) the number of children eligible to receive home instruction in the school district on such date; (3) the number of children for whom Equivalent Attendance must be computed pursuant to this Section on such date; (4) the number of children with disabilities who are residents of such district who are registered on such date to attend programs under the provisions of paragraph (c) of § 4401(2) (children with handicapping conditions definitions) of the New York Education Law; (5) the number of children eligible to receive educational services on such date but not claimed for aid pursuant to § 3202(7) (public schools free to resident pupils; tuition from nonresident pupils) of the New York Education Law; and (6) the number of children registered on such date to attend programs (i) pursuant to §355(2) (powers and duties of trustees - administrative and fiscal functions) of the New York Education Law or (ii) pursuant to an agreement between the New York City School District and Hunter College pursuant to § 6216 of the New York Education Law.

"Equivalent Attendance" shall mean the quotient of the total number of student hours of instruction in programs in a public school of a school district or a board of cooperative educational services leading to a high school diploma or a high school equivalency diploma as defined in regulations of the Commissioner for pupils under the age of 21 not on a regular day school register of the district, divided by 1,000.

The "Approved Operating Expense" for the apportionments to any school district under the New York Education Law shall mean the amount computed as follows: The apportionment to any school district for operating expense shall be based upon the total expenditures from its general fund and from its capital fund and from its risk retention fund for purposes of employee benefit claims related to salaries paid from the general fund, and for any city school districts with a population of more than one hundred twenty-five thousand inhabitants its expenditures from the special aid fund of grant moneys for improving pupil performance and categorical aid for special reading programs as provided in the aid to localities budget during the applicable year as approved by the Commissioner, and in accordance with the classification of expenditures in use by the Commissioner for the reporting by school districts of receipts, expenditures and other financial data. For the purpose of this paragraph "Operating Expense" shall be defined as total cash expenditures during the applicable year, but shall exclude:

(1) any balances and transfers;

(2) any payments for transportation of pupils to and from school during the regular school year inclusive of capital outlays and debt service therefor;

(2-a) a portion of any payments for transportation of pupils to and from district operated summer school programs pursuant to § 3622-a(6) (aidable regular transportation) of the New York Education Law, inclusive of capital outlays and debt service therefor, equal to the product of such expenditures multiplied by the quotient of the total apportionment after the proration, if any, required by such subdivision 6 of the New York Education Law divided by the total apportionment prior to such proration;

(3) any payments for capital outlay and debt service for school building purposes, provided, however, that in the case of a school district which has entered into a contract with state university pursuant to § 355(2)(o) (conduct of research and experiments) of the New York Education Law, under which the school district makes payment to state university on account of capital outlay relating to certain children residing in such school district, such payments shall not be so excluded;

(4) any payments for cafeteria or school lunch programs;

(5) any proceeds of short term borrowings in the general fund and any payments from the proceeds of the sale of obligations in the capital fund;

(6) any cash receipts which reduce the cost of an item when applied against the expenditure therefor, except gifts, donations and earned interest and any refunds made;

(7) any payments made to boards of cooperative educational services for purposes or programs for which an apportionment is paid pursuant to other sections of the New York Education Law, except that payments attributable to eligible pupils with disabilities and ineligible pupils residing in noncomponent districts shall be included in operating expense;

(8) any tuition payments made to other school districts inclusive of payments made to a central high school district by one of its component school districts;

(9) any apportionment or payment received from the state for experimental or special programs paid under provisions other than those found in this section and other than any apportionments or payments received from the state by the city school district of the city of Yonkers for the purpose of funding an educational improvement program pursuant to a court order and other than any other state grants in aid identified by the Commissioner for general use as specified by the board of education pursuant to § 1718(2) (limitation upon expenditures) of the New York Education Law;

(10) any funds received from the federal government except the federal share of Medicaid subject to the provisions of § 3600 (9-a) (moneys apportioned, when and how payable commencing July 1, 2007) of the New York Education Law and except Impact Aid funds received pursuant to Public Law 81-874 or §§ 2 and 6 or any law superseding such law in any such district which received aid pursuant to both such sections; provided further, however, that there shall be excluded from such federal funds or other apportionments any payments from such funds already deducted pursuant to this paragraph;

(11) any payments made for which an apportionment is disallowed pursuant to regulations of the Commissioner;

(12) any expenditures made for accounting, tabulation, or computer equipment, in excess of $10,000 unless such expenditures shall have been specifically approved by the Commissioner;

(13) any rental payments received pursuant to the provisions of § 403-a (leasing of school property) of the New York Education Law;

(14) any rentals or other annual payments received pursuant to the provisions of § 403-b (Leasing of school buildings and facilities) of the New York Education Law;

(15) any expenditures made for persons 21 years of age or over attending employment preparation education programs pursuant to subdivision 11 of this section;

(16) any tuition payments made pursuant to a contract under the provisions of § 4401(2)(e) through (i) and (I) ("special services or programs" definition) of the New York Education Law or any tuition payments on behalf of pupils attending a state school under paragraph d of such subdivision;

(17) in any year in which expenditures are made to the New York state teachers' retirement system or the New York state and local employees' retirement system for both the prior school year and the current school year, any expenditures made to such retirement systems and recorded in the school year prior to the school year in which such obligations are paid; and

(18) any payments to the Commissioner of taxation and finance pursuant to Article 23 (Metropolitan Commuter Transportation Mobility Tax) of the tax law.

Public School District Payments to Charter Schools (N.Y. Comp. Codes & Regs. Title 8, § 119.1(a), (b))

The following summarizes certain provisions of the New York Codes, Rules and Regulations concerning charter schools.

In the event of the failure of a school district to make payments to a charter school as required by § 2856 of the New York Education Law, the Commissioner shall certify the amount of the unpaid obligation to the Comptroller to be deducted from any State aid payments which become due to such school district. The amount of each school district's obligation shall be calculated in accordance with this section.

For the purposes of this section:

(a) Legally absent means to be absent for: personal illness, illness or death in the family, impassable roads or weather, religious observance, quarantine, required court appearances, attendance at health clinics, approved college visits, military obligations, disciplinary detention of an incarcerated youth, or for such other reasons as may be approved by the Commissioner.

(b) Period of enrollment means that period commencing on the first day of the school year that a pupil is enrolled in and is physically present at, or legally absent from, an educational program or service of a charter school and ending on the last day of the school year that such pupil is so enrolled and physically present at, or legally absent from, such program or service.

(c) Enrollment for each charter school student shall mean the quotient, calculated to three decimals without rounding, obtained when the total number of weeks of the period of enrollment of such student is divided by the total number of weeks in the full school year of the educational program or service of the charter school. For the purposes of this section, three consecutive days of enrollment within the same week and within the same month shall be the equivalent of one week of enrollment, provided that no more than four weeks of enrollment may be counted in any calendar month.

(d) Levels of service shall mean the categories of programs for students with disabilities specified in § 3602(19)(b)(1)-(4) of the New York Education Law.

(e) Approved operating expense shall mean the amount calculated pursuant to § 3602(11) of the New York Education Law.

(f) Expense per pupil shall mean the amount calculated pursuant to § 3602(1)(f) of the New York Education Law for the school district using year prior to the Base Year expenditures and pupils, as established by the Commissioner based on the electronic data file prepared by the Commissioner on May 15th of the Base Year pursuant to § 305(21)(b) of the New York Education Law. Where the expense per pupil is not available for a school district, the expense per pupil shall be deemed to be the average expense per pupil for the county in which the school district is located.

(g) Adjusted expense per pupil shall be the district's expense per pupil increased by the percent change in the State total approved operating expense calculated pursuant to § 3602(11) of the New York Education Law from two years prior to the Base Year to the Base Year, as established by the Commissioner based on the electronic data file prepared by the Commissioner on May 15th of the Base Year pursuant to § 305(21)(b) of the New York Education Law.

(h) State aid attributable to a student with a disability attending a charter school shall mean the sum of excess cost aid payable to a public school district pursuant to § 3602(19)(4) of the New York Education Law based on the resident weighted enrollment in the charter school of pupils with disabilities receiving special services or programs provided directly or indirectly by the charter school in the current school year and any apportionment payable to such public school district pursuant to § 3602(19)(5) of the New York Education Law that is based on the cost of special services or programs provided directly or indirectly by the charter school to such pupil in the current school year. Excess cost aid for the purposes of this section shall equal the product of excess cost aid per pupil calculated pursuant to § 3602(19)(3) of the New York Education Law, the proportion of the weighting attributable to

the student's level of service provided directly or indirectly by the charter school pursuant to § 3602(19)(b)(1)-(4) of the New York Education Law, and the student's enrollment in such charter school in the current school year.

(i) Federal aid attributable to a student with a disability attending a charter school, and receiving special education services or programs provided directly or indirectly by the charter school, shall mean:

(i) for the first year of operation of the charter school, the allocation that would be attributable to the charter school pursuant to 20 U.S.C. 1411 and 1419 (United States Code, 1994 edition, Supplement III, Volume 2; Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402-9328; 1998 - available at the Office of Vocational and Educational Services for Individuals with Disabilities, Room 1624, One Commerce Plaza, Albany, New York 12234) for a pupil who is identified as a student with a disability, as such term is defined in the New York Education Law § 200.1, who is included in a report to the Commissioner of pupils so identified as of December 1st of the current school year, or for such other pupil count as specified by the Federal government for the current school year, provided that the enrollment of such students in the charter school during the current school year shall be used for this purpose until such report, or a report of such other pupil count, has been received by the Commissioner; and

(ii) for the second year of operation of the charter school and thereafter, the allocation that would be attributable to the charter school pursuant to 20 U.S.C. 1411 and 1419 (United States Code, 1994 edition, Supplement III, Volume 2; Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402-9328; 1998 - available at the Office of Vocational and Educational Services for Individuals with Disabilities, Room 1624, One Commerce Plaza, Albany, New York 12234) for a pupil who is identified as a student with a disability, as such term is defined in the New York Education Law § 200.1, who is included in a report to the Commissioner of pupils so identified as of December 1st of the Base Year, or for such other pupil count as specified by the Federal government.

Financial Obligations of Charter Schools, Public School Districts and Education Department (N.Y. Comp. Codes & Regs. Title 8, § 119.1(c)–(e))

Charter school obligations:

(a) No later than 30 days prior to the first business day of July, September, November, January, March and May, each charter school shall report to each public school district with resident pupils attending the charter school and to the department an updated estimate of the enrollment of students attending the charter school in the current school year who are residents of such public school district and any reduced amounts per pupil that shall be payable to the charter school for such students pursuant to subdivision one of § 2856 of the New York Education Law that has been established pursuant to an agreement between the charter school and the charter school entity as set forth in the charter. For each student with a disability attending such charter school, such report shall also indicate the level of special programs or services to be provided directly or indirectly to such student by the charter school and an estimated annual cost to be incurred by the charter school in providing such special programs or services.

(b) On or before the last day of July, each charter school shall provide a final report of actual enrollment to the department and to each school district with resident pupils attending the charter school in the prior school year. For each student with a disability attending such charter school, such report shall also indicate the level of special programs or services actually provided directly or indirectly to such student by the charter school and the annual cost incurred by the charter school in providing such special programs or services.

(c) In the event of the failure of a school district to fulfill the financial obligation required by § 2856 of the New York Education Law equal to the amounts calculated pursuant to this section, the charter school shall notify the Commissioner no later than May 31st of the school year in which the payments were due.

Public school district of residence obligations:

(a) No later than the first business day of July, September, November, January, March and May of the current school year, each public school district with resident pupils attending a charter school shall pay directly to such charter school the appropriate payment amounts as specified in subdivision one of § 2856 of the New York Education Law that are attributable to the enrollment of such pupils as reported to the public school district by the charter school no later than 30 days prior to each such payment date.

(b) The total amount of payments due and payable to a charter school for the current school year by a public school district shall be paid as follows:

(i) on or before the first business day of July, one sixth of the total amount due, as adjusted for any supplemental payments due or overpayments to be recovered for the prior school year;

(ii) on or before the first business day of September, two sixths of the total amount due, as adjusted for any supplemental payments due or overpayments to be recovered for the prior school year, minus any payments made before such date pursuant to subparagraph (i) of this subsection;

(iii) on or before the first business day of November, three sixths of the total amount due, as adjusted for any supplemental payments due on overpayments to be recovered for the prior school year, minus any payments made before such date pursuant to subparagraphs (i) and (ii) of this subsection;

(iv) on or before the first business day of January, four sixths of the total amount due, as adjusted for any supplemental payments due or overpayments to be recovered for the prior school year, minus any payments made before such date pursuant to subparagraphs (i), (ii) and (iii) of this subsection;

(v) on or before the first business day of March, five sixths of the total amount due, as adjusted for any supplemental payments due or overpayments to be recovered for the prior school year, minus any payments made before such date pursuant to subparagraphs (i), (ii), (iii) and (iv) of this subsection and

(vi) on or before the first business day of May, the total amount due, as adjusted for any supplemental payments due or overpayments to be recovered for the prior school year, minus any payments made before such date pursuant to subparagraphs (i), (ii), (iii), (iv) and (v) of this subsection.

(c) The school district financial obligation per resident student enrolled in a charter school shall equal the sum of:

(i) the product of the school district's adjusted expense per pupil and the current year enrollment of the pupil in the charter school as defined in paragraph b(3) of this subsection; and

(ii) the amounts of State and Federal aid, if any, that may be attributable to such pupil as defined in paragraphs (b)(8) and (9) of this subsection, or the amount established pursuant to an agreement between the charter school and the charter entity as set forth in the charter.

(d) The total annual obligation due to a charter school by a public school district shall be the sum of the annual financial obligations for all resident students enrolled at any time during the current school year in the charter school.

(e) School districts shall include the enrollment of resident students attending charter schools in the enrollment, attendance and, if applicable, count of students with disabilities reported to the department for the purposes of claiming State aid.

Department obligations:

(a) On or before the first day of June of each year, or as soon as practicable upon the receipt of Federal notice of the estimated State appropriation for the next school year, the Commissioner shall notify all school districts and all charter schools of the adjusted expense per pupil of each public school district and the estimated per

pupil allocation under part B of the Federal Individuals with Disabilities Education Act to be used in the calculation of payments due to charter schools in next school year. Notice of final Federal per pupil allocation will be issued as soon as practicable upon the State's receipt of the notice of final allocation from the Federal government.

(b) In the event of the failure of a school district to fulfill the financial obligation required by § 2956 of the New York Education Law equal to the amounts calculated pursuant to this section, upon notification by the charter school, the Commissioner shall certify the amounts of the unpaid obligations to the comptroller to be deducted from State aid due the school district and paid to the applicable charter schools.

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APPENDIX C

BUDGET PROJECTION

Hebrew Language Academy Charter School

	2017-18 unaudited	Budget 2018-19	2019-20	Move In Year 1 2021	Year 2 2022	Year3 2023	Year 4 2024	Year 5 2025
Revenue:								
Total Enrollment (Head Count)	*129*	*215*	*295*	*370*	*450*	*480*	*480*	*480*
Total Enrollment (ADM/Guaranty)	*129*	*215*	*295*	*370*	*450*	*480*	*480*	*480*
Enrollment Capacity Under Charter Contract				*413*	*489*	*new term*	*new term*	*new term*
Facility Enrollment Capacity								
Special Education Enrollment, 60% or more of day	*10*	*12*	*27*	*44*	*54*	*58*	*58*	*58*
Special Education Enrollment, 20-60% of day	*0*	*0*	*6*	*7*	*9*	*10*	*10*	*10*
Grade Span	*K-1*	*K-2*	*K-3*	*K-4*	*K-5*	*K-5*	*K-5*	*K-5*
Base per pupil revenue	14,481	15,308	15,614	*15,926*	*16,245*	*16,570*	*16,901*	*17,239*
Annual per pupil supplemental grant	312	451	300	*300*	*300*	*300*	*300*	*300*
Lease Aid - Per Pupil	4,344	4,592	4,684	*4,778*	*4,873*	*4,971*	*5,070*	*5,172*
Special Education PPR, 60% or more of day	18,807	19,525	19,916	*20,314*	*20,720*	*21,134*	*21,557*	*21,988*
Special Education PPR, 20-60% of day	-	10,650	10,863	*11,080*	*11,302*	*11,528*	*11,758*	*11,994*
Miscellaneous Revenue	8,604	2,076	872	*890*	*908*	*926*	*944*	*963*
Per Pupil Revenue	$ 1,908,249	$ 3,388,185	$ 4,694,677	$ 6,003,784	$ 7,445,237	$ 8,097,538	$ 8,256,609	$ 8,418,861
Facility Aid	560,339	987,366	1,381,853	1,767,835	2,193,071	2,386,061	2,433,783	2,482,458
Special Education Revenue	188,071	228,588	592,848	983,927	1,220,601	1,328,014	1,354,575	1,381,666
Miscellaneous Revenue	1,109,857	446,421	257,240	329,300	408,510	444,459	453,348	462,415
Total Revenue	**$ 3,766,516**	**$ 5,050,560**	**$ 6,926,619**	**$ 9,084,846**	**$ 11,267,420**	**$ 12,256,073**	**$ 12,498,315**	**$ 12,745,401**
Revenue/Student	*29,198*	*23,491*	*23,480*	*24,554*	*25,039*	*25,533*	*26,038*	*26,553*
Total Revenue, not including Facilities Aid	*3,206,177*	*4,063,194*	*5,544,765*	*7,317,011*	*9,074,349*	*9,870,012*	*10,064,532*	*10,262,942*
Revenue/Student, not including Facilities Aid	*24,854*	*18,899*	*18,796*	*19,776*	*20,165*	*20,563*	*20,968*	*21,381*
Expenses:								
Personnel costs, per pupil	$ 13,187	$ 11,764	$ 12,002	$ 12,239	$ 12,545	$ 12,859	$ 13,180	$ 13,510
Salaries & Benefits	1,701,162	2,733,724	3,540,443	4,528,430	5,645,239	6,172,128	6,326,431	6,484,592
Non-personnel costs, per pupil, n/l mgmnt fees & rent	5,658	3,650	3,724	3,797	3,873	3,950	4,029	4,110
Non-Personnel, excluding Management Fees & Rent	729,881	784,750	1,098,433	1,404,890	1,742,823	1,896,191	1,934,115	1,972,798
Management Fees	209,447	361,677	528,753	698,771	866,584	942,555	961,118	980,053
FF&E	*190,772*	*100,731*	*105,768*	*111,056*	*116,609*	*122,439*	*128,561*	*134,989*
Total Expenses, not including debt service	**$ 3,742,762**	**$ 3,880,151**	**$ 5,167,628**	**$ 6,743,147**	**$ 8,371,254**	**$ 9,133,314**	**$ 9,350,226**	**$ 9,572,431**
Operating Expenses/Student	*29,014*	*18,047*	*17,517*	*18,225*	*18,603*	*19,028*	*19,480*	*19,943*
Rent (17-18 through 19/20)	*911,500*	*1,089,060*	*1,382,000*					
Net operating income	*23,754*	*(19,382)*	*271,223*	*831,700*	*826,980*	*625,674*	*663,413*	*699,747*
Add Back Depreciation	28,000	45,000	100,000	110,000	121,000	133,100	146,410	161,051
Revenues Available for Debt Service, net mgmt fees	**963,254**	**1,114,678**	**1,753,223**	**2,451,699**	**3,017,166**	**3,255,860**	**3,294,499**	**3,334,021**
Principal						$ 440,000	$ 475,000	$ 515,000
Interest & Fees		1,096,273	2,078,584	2,190,186	2,190,186	2,190,186	2,156,086	2,119,274
Less Capitalized Interest		(1,094,523)	(2,076,834)	(570,187)	-			
Net Debt Service		**$ 1,750**	**$ 1,750**	**$ 1,619,999**	**$ 2,190,186**	**$ 2,630,186**	**$ 2,631,086**	**$ 2,634,274**
Debt Service Coverage (x) after mgmt fees				**1.51**	**1.38**	**1.24**	**1.25**	**1.27**
Debt Service Coverage (x) before mgmt fees				**1.94**	**1.77**	**1.60**	**1.62**	**1.64**
Debt Outstanding		**$ 36,650,000**	**$ 36,650,000**	**$ 36,650,000**	**$ 36,650,000**	**$ 36,650,000**	**$ 36,210,000**	**$ 35,735,000**
Lease Aid Available				**1,767,835**	**2,193,071**	**2,386,061**	**2,433,783**	**2,482,458**
Net Debt Service				**1,619,999**	**2,190,186**	**2,630,186**	**2,631,086**	**2,634,274**
Surplus/Deficit Lease Aid to Cover Debt Service				**147,836**	**2,885**	**(244,125)**	**(197,303)**	**(151,816)**
Encroached Funds as a % of Revenues						**0**	**0**	**0**
Less: Deposit to DSRF				$ 263,589	$ 263,589	$ 263,589	$ 263,589	$ 263,589
Change in Fund Balance				**$ 568,111**	**$ 563,391**	**$ 362,084**	**$ 399,824**	**$ 436,157**
Beginning Fund Balance	-	74,871	195,000	360,456	928,567	1,491,958	1,854,042	2,253,866
Ending Fund Balance	74,871	195,000	360,456	928,567	1,491,958	1,854,042	2,253,866	2,690,023
Days' Cash on Hand	**7**	**18**	**26**	**41**	**52**	**58**	**70**	**82**

APPENDIX D

UNAUDITED FINANCIAL STATEMENT

Hebrew Language Academy 2 Charter School
Statement of Financial Position
As of June 30, 2018

	UNAUDITED Total
ASSETS	
Current Assets	
Bank Accounts	
1000 Cash	$99,871
1010 Anybill AP Management	0
Total Bank Accounts	**$99,871**
Accounts Receivable	
1100 Accounts Receivable	$232,691
1110 Grants Receivable	101,579
Total Accounts Receivable	**$334,270**
Other Current Assets	
1200 Prepaid Expenses	$1,502
1210 Prepaid Insurance	0
1300 Deposits & Retainers	14,555
1310.01 Due from HLA	0
1400 Transit Cards	0
Total Other Current Assets	**$16,057**
Total Current Assets	**450,198**
Fixed Assets	
1500 Furniture, Fixtures & Equipment	$135,036
Total Fixed Assets	**135,036**
TOTAL ASSETS	**$585,234**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	$142,691
Total Accounts Payable	**$142,691**
Credit Cards	
2001 HSBC Credit Card LS 9376	$5,632
Total Credit Cards	**$5,632**
Other Current Liabilities	
2220 Accrued Expenses	40,500
2250 Accrued Salaries	94,593
2300 Unearned/Deferred Revenue	4,837
2410 Due to Hebrew Public	0
2411 Due to HLA	21,907
Total Other Current Liabilities	**$161,837**
Total Current Liabilities	**$310,160**
Total Liabilities	**$310,160**
Equity	

Retained Earnings	($24,891)
Net Revenue	$299,964
Total Equity	**$275,073**
TOTAL LIABILITIES AND EQUITY	**$585,234**

APPENDIX E

FORM OF LOAN AGREEMENT

LOAN AGREEMENT

Dated as of September 1, 2018

by and between

BUILD NYC RESOURCE CORPORATION,
a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State of New York at the direction of the Mayor of The City of New York, having its principal office at 110 William Street, New York, New York 10038,
as "**Issuer**"

and

FRIENDS OF HEBREW PUBLIC BORROWER, LLC,
a limited liability company organized and existing under the laws of the State of Delaware that is a disregarded entity for federal tax purposes, having its principal office at
555 8th Avenue, Suite 1703, New York, New York 10018,
as "**Institution**"

$34,030,000
Build NYC Resource Corporation
Revenue Bonds, Series 2018A
(Friends of Hebrew Public Borrower, LLC Project)

and

$1,1980,000
Build NYC Resource Corporation
Taxable Revenue Bonds, Series 2018B
(Friends of Hebrew Public Borrower, LLC Project)

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EXHIBITS

LOAN AGREEMENT

This **LOAN AGREEMENT**, dated as of September 1, 2018 (this "**Agreement**"), is by and between **BUILD NYC RESOURCE CORPORATION**, a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State of New York at the direction of the Mayor of The City of New York, having its principal office at 110 William Street, New York, New York 10038 (the "**Issuer**"), party of the first part, and **FRIENDS OF HEBREW PUBLIC BORROWER, LLC**, a limited liability company organized and existing under the laws of the State of Delaware that is a disregarded entity for federal tax purposes, having its principal office in New York City at 555 8th Avenue, Suite 1703, New York, New York 10018 (the "**Institution**"), party of the second part (capitalized terms used herein shall have the respective meanings assigned to such terms throughout this Agreement).

WITNESSETH:

WHEREAS, the Issuer is authorized pursuant to Section 1411(a) of the Not-for-Profit Corporation Law of the State of New York, as amended, and its Certificate of Incorporation and By-Laws (i) to promote community and economic development and the creation of jobs in the non-profit and for-profit sectors for the citizens of The City of New York (the "**City**") by developing and providing programs for not-for-profit institutions, manufacturing and industrial businesses and other entities to access tax-exempt and taxable financing for their eligible projects; (ii) to issue and sell one or more series or classes of bonds, notes and other obligations through private placement, negotiated underwriting or competitive underwriting to finance such activities above, on a secured or unsecured basis; and (iii) to undertake other eligible projects that are appropriate functions for a non-profit local development corporation for the purpose of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, carrying on scientific research for the purpose of aiding the City by attracting new industry to the City or by encouraging the development of or retention of an industry in the City, and lessening the burdens of government and acting in the public interest; and

WHEREAS, the Certificate of Incorporation of the Issuer further provides that the lessening of the burdens of government and the exercise of the powers conferred on the Issuer are the performance of an essential governmental function, which activities will assist the City in reducing unemployment and promoting additional job growth and economic development; and

WHEREAS, the Institution has entered into negotiations with officials of the Issuer for the Issuer's assistance with a tax-exempt and taxable revenue bond transaction, the proceeds of which, together with other funds of the Institution, will be used by the Institution to finance the Project;

WHEREAS, the Issuer has determined that the providing of financial assistance to the Institution for the Project will promote and is authorized by and will be in furtherance of the corporate purposes of the Issuer; and

WHEREAS, as a result of such negotiations, the Institution has requested the Issuer to issue its bonds to finance a portion of the costs of the Project; and

WHEREAS, the Issuer adopted the Bond Resolution authorizing the Project and the issuance of its revenue bonds to finance a portion of the costs of the Project; and

WHEREAS, to facilitate the Project and the issuance by the Issuer of its revenue bonds to finance a portion of the costs of the Project, the Issuer and the Institution have entered into negotiations pursuant to which (i) the Issuer will make the Loan of the proceeds of the Initial Bonds, in the original aggregate principal amount of the Initial Bonds, to the Institution pursuant to this Agreement, and (ii) the Institution will execute the Promissory Note in favor of the Issuer to evidence the Institution's obligation under this Agreement to repay the Loan, and the Issuer will endorse the Promissory Note to the Trustee; and

WHEREAS, to provide funds for a portion of the costs of the Project and for incidental and related costs and to provide funds to pay the costs and expenses of the issuance of the Initial Bonds, the Issuer has authorized the issuance of the Initial Bonds in the Authorized Principal Amount pursuant to the Bond Resolution and the Indenture; and

WHEREAS, concurrently with the execution hereof, in order to further secure the Initial Bonds, (i) the Institution will grant a mortgage lien on and security interest in its interests in the Mortgaged Property to the Issuer and the Trustee pursuant to the Mortgage, and the Issuer will assign its right, title and interest under the Mortgage to the Trustee pursuant to the Assignment of Mortgage; (ii) the Depositary Bank, the Trustee and the Institution will execute and deliver an Account Control Agreement, pursuant to which the Institution will grant a security interest in the Institution's operating account to the Trustee and also authorize the Trustee to transfer the amounts required under this Indenture and the Loan Agreement to the Revenue Fund; and (iii) the Institution will grant a lien and security interest in the Pledged Collateral pursuant to the Pledge and Security Agreement in favor of the Trustee; and

WHEREAS, the Facility will be leased by the Institution to Hebrew Language Academy Charter School 2 (the "**School**") pursuant to a Lease, dated as of August 29, 2018, between the Institution and the School (as the same may be amended or supplemented, the "**Lease Agreement**"); and

NOW, THEREFORE, in consideration of the premises and the respective representations and agreements hereinafter contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND CONSTRUCTION

Section 1.1 Definitions. The following capitalized terms shall have the respective meanings specified for purposes of this Agreement.

Account Control Agreement shall mean the initial Account Control Agreement, dated as of September 6, 2018, between the Depositary Bank, the Trustee, and the Institution, as the same may be amended or supplemented from time to time or any successor Account Control Agreement entered into by a successor Depositary Bank, the Trustee, and the Institution.

Additional Bonds shall mean one or more Series of additional bonds issued, executed, authenticated and delivered under the Indenture.

Additional Improvements shall have the meaning specified in Section 3.4(a).

Affiliate shall mean, with respect to a given Person, any other Person that directly or indirectly through one or more intermediaries Controls, is Controlled by, or is under common Control with such given Person.

Agreement shall mean this Loan Agreement, dated as of the date set forth in the first paragraph hereof, between the Issuer and the Institution, and shall include any and all amendments hereof and supplements hereto hereafter made in conformity herewith and with the Indenture.

Agreement to Advance shall mean the Agreement to Advance, dated the Closing Date, among the Institution, the Bondholder Representative, the Initial Beneficial Owners of the Initial Bonds, the Trustee and the Underwriter, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Annual Administrative Fee shall mean that annual administrative fee established from time to time by the Issuer's Board of Directors as generally applicable to Entities receiving or that have received financial assistance from the Issuer (subject to such exceptions from such general applicability as may be established by the Issuer's Board of Directors).

Approved Facility shall mean the Facility as owned by the Institution and occupied, used and operated by the School substantially for the Approved Project Operations, including such other activities as may be substantially related to or substantially in support of such operations, all to be effected in accordance with this Agreement.

Approved Project Operations shall mean the facility located at 166 Kings Highway, Brooklyn, New York 11223, for use by the Institution and the School in the providing of education services to students from grade K through grade 5.

Asserted Cure has the meaning specified in Section 8.30(k)(i).

Asserted LW Violation has the meaning specified in Section 8.30(k)(i).

Assignment of Development Agreement shall mean the Assignment of Development Agreement and Subordination of Development Fees, dated the Closing Date, from the Institution to the Trustee and consented and agreed to by HLA Project Development, LLC, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Assignment of Lease shall mean the Assignment of Lease dated as of September 1, 2018, from the Institution to the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Assignment of Mortgage shall mean, collectively, the Assignment of Mortgage and Security Agreement (Acquisition Loan), the Assignment of Mortgage and Security Agreement

(Building Loan) and the Assignment of Mortgage and Security Agreement (Indirect Loan) relating to the Facility, each dated the Closing Date, from the Issuer to the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Authorized Denomination shall mean, (i) in the case of the Series 2018A Bonds, $100,000 or any integral multiple of $5,000 in excess thereof; provided, however, that if the Series 2018A Bonds are rated investment grade by a Rating Agency, then, upon the Trustee receiving written notice of the occurrence of such event, the Authorized Denomination with respect to the Series 2018A Bonds shall be $5,000 or any integral multiple thereof; provided, however, that if the Series 2018B Bonds are rated investment grade by a Rating Agency, then, upon the Trustee receiving written notice of the occurrence of such event, the Authorized Denomination with respect to the Series 2018B Bonds shall be $5,000 or any integral multiple thereof (ii) in the case of the Series 2018B Bonds, $100,000 or any integral multiple of $5,000 in excess thereof, and (iii) in the case of any Additional Bonds, such denominations as shall be set forth in the Supplemental Indenture executed and delivered in connection with such Additional Bonds.

Authorized Principal Amount shall mean, (i) in the case of the Series 2018A Bonds, $34,030,000, (ii) in the case of the Series 2018B Bonds, $1,980,000, and (iii) in the case of any Additional Bonds, such authorized principal amount as shall be set forth in the Supplemental Indenture executed and delivered in connection with such Additional Bonds.

Authorized Representative shall mean, (i) in the case of the Issuer, the Chairperson, Vice Chairperson, Treasurer, Assistant Treasurer, Secretary, Assistant Secretary, Executive Director, Deputy Executive Director or General Counsel, or any other officer or employee of the Issuer who is authorized to perform specific acts or to discharge specific duties, and (ii) in the case of the Institution, a person named in Exhibit C — "Authorized Representative", or any other officer or employee of the Institution who is authorized to perform specific duties hereunder or under any other Project Document and of whom another Authorized Representative of the Institution has given written notice to the Issuer and the Trustee; provided, however, that in each case for which a certification or other statement of fact or condition is required to be submitted by an Authorized Representative to any Person pursuant to the terms of this Agreement or any other Project Document, such certificate or statement shall be executed only by an Authorized Representative in a position to know or to obtain knowledge of the facts or conditions that are the subject of such certificate or statement.

Beneficial Owner shall mean, whenever used with respect to an Initial Bond, the Person in whose name such Initial Bond is recorded as the Beneficial Owner of such Initial Bond by the respective systems of DTC and each of the Participants of DTC. If at any time the Initial Bonds are not held in the Book-Entry System, Beneficial Owner shall mean "Holder" for purposes of the Security Documents.

Benefits shall have the meaning set forth in Section 5.1(a).

Bond Fund shall mean the special trust fund so designated, established pursuant to Section 5.01 of the Indenture.

Bondholder, Holder of Bonds, Holder or **holder** shall mean any Person who shall be the registered owner of any Bond or Bonds.

Bondholder Representative shall mean Rosemawr Management LLC, acting through its officer and agents, and any successor or assign thereto which shall be designated as the Bondholder Representative in accordance with Section 10.01 of the Indenture.

Bond Purchase Agreement shall mean the Bond Purchase Agreement, dated August 30, 2018, among the Issuer, the Institution, the School, the Underwriter, the Initial Beneficial Owners and the Bondholder Representative.

Bond Registrar shall mean the Trustee acting as registrar as provided in Section 3.10 of the Indenture.

Bond Resolution shall mean the resolution of the Issuer adopted on June 12, 2018, authorizing the Project and the issuance of the Initial Bonds.

Bonds shall mean the Initial Bonds and any Additional Bonds.

Building Loan Agreement shall mean the Building Loan Agreement, dated as of even date herewith, among the Issuer, the Institution and the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Business Day shall mean any day that shall not be:

(i) a Saturday, Sunday or legal holiday;

(ii) a day on which banking institutions in the City are authorized by law or executive order to close; or

(iii) a day on which the New York Stock Exchange or the payment system of the Federal Reserve System is closed.

Business Incentive Rate shall mean the discount energy transportation and delivery rate provided through the Business Incentive Rate program co-administered by NYCEDC and Consolidated Edison Company of New York, Inc.

Capital Needs Assessment shall mean an evaluation by an Independent Consultant of the capital needs of the Facility and the total cost thereof for a five (5) year period commencing on July 1, 2023 and every fifth anniversary thereafter as long as the Bonds are Outstanding.

Certificate shall have the meaning set forth in Section 8.1(a).

CGL shall have the meaning set forth in Section 8.1(a).

City shall mean The City of New York, New York.

Claims shall have the meaning set forth in Section 8.2(a).

Closing Date shall mean September 6, 2018, the date of the initial issuance and delivery of the Initial Bonds.

CM shall have the meaning set forth in Section 8.1(a).

Code shall mean the Internal Revenue Code of 1986, as amended, including the regulations thereunder. All references to Sections of the Code or regulations thereunder shall be deemed to include any such Sections or regulations as they may hereafter be renumbered in any subsequent amendments to the Code or such regulations.

Completed Improvements Square Footage shall mean approximately 34,570 rentable square feet, the rentable square footage of the Improvements upon completion of the Project Work.

Completion Deadline shall mean September 1, 2021.

Comptroller has the meaning specified in Section 8.30(b).

Concessionaire has the meaning specified in Section 8.30(b).

Conduct Representation shall mean any representation by the Institution under Section 2.2(t), or by any other Person in any Required Disclosure Statement delivered to the Issuer.

Construction shall have the meaning set forth in Section 8.1(a).

Continuing Covenant Agreement shall mean the Continuing Covenants Agreement, dated the Closing Date, among the Institution, the School, the Trustee and the Bondholder Representative, as amended from time to time in accordance therewith.

Contractor shall have the meaning set forth in Section 8.1(a).

Control or **Controls**, including the related terms "controlled by" and "under common control with", shall mean the power to direct the management and policies of a Person (x) through the ownership, directly or indirectly, of not less than a majority of its voting securities, (y) through the right to designate or elect not less than a majority of the members of its board of directors or trustees or other Governing Body, or (z) by contract or otherwise.

Costs of Issuance shall mean issuance costs with respect to the Initial Bonds described in Section 147(g) of the Code and any regulations thereunder, including but not limited to the following: Underwriter's fee; counsel fees (including bond counsel, counsel to the Underwriter, Trustee's counsel, Issuer's counsel, Institution's counsel, counsel to the Bondholder Representative, as well as any other specialized counsel fees incurred in connection with the borrowing); financial advisor fees of any financial advisor to the Issuer or the Institution incurred in connection with the issuance of the Initial Bonds; engineering and feasibility study costs; guarantee fees (other than Qualified Guarantee Fees, as defined in the Tax Regulatory Agreement); Rating Agency fees; Trustee and Paying Agent fees; accountant fees and other expenses related to issuance of the Initial Bonds; printing costs (for the Initial Bonds and of the preliminary and final offering documents relating to the Initial Bonds); public approval and process costs; fees and

expenses of the Issuer incurred in connection with the issuance of the Initial Bonds; and Blue Sky fees and expenses; and similar costs.

Covered Counterparty has the meaning specified in Section 8.30(b).

Covered Employer has the meaning specified in Section 8.30(b).

DCA has the meaning specified in Section 8.30(b).

Debt Service Reserve Fund shall mean the special trust fund so designated, established pursuant to Section 5.01 of the Indenture.

Debt Service Reserve Fund Requirement shall mean (i) with respect to the Series 2018A Bonds, an amount equal to $1,224,184.61, which shall be funded with the last draw of the Series 2018A Bonds, which Debt Service Reserve Fund Requirement shall increase on each July 1, commencing on July 1, 2021 and continuing through and including July 1, 2025 by $259,082.50 (provided, however, that the final increase on July 1, 2025 shall be in the amount of $259,082.51 for a total Debt Service Reserve Fund Requirement as of such date of $2,519,597.12) and shall increase on June 15, 2027, by $71,227.90 for a total Debt Service Reserve Fund Requirement as of such date of $2,590,825.02, (ii) with respect to the Series 2018B Bonds, $71,227.90, and (iii) with respect to any Series of Additional Bonds, such amount or formula as shall be set forth in the Supplemental Indenture executed and delivered in connection with the issuance of such Additional Bonds; provided, however, that in any case, the Debt Service Reserve Fund Requirement with respect to the Series 2018A Bonds shall not exceed the amount permitted to be deposited into the Debt Service Reserve Fund, and invested at an unrestricted yield, under the Code.

Defeasance Obligations shall mean Government Obligations that are not subject to redemption prior to maturity.

Depositary Agreement means the Depositary Agreement, dated the Closing Date, between the Institution and the Depositary Bank, as the same may be amended or supplemented from time to time.

Depositary Bank means The Bank of New York Mellon, as depositary bank for the Institution, or any successor depositary bank for the Institution.

Determination of Taxability shall mean:

(i) (1) the adoption, promulgation or enactment of any federal statute or regulation, or any determination, decision, decree or ruling made by the Commissioner or any District Director of the Internal Revenue Service;

(2) the issuance of a public or private ruling or a technical advice memorandum by the Internal Revenue Service in which the Institution has participated or has been given the opportunity to participate, and which ruling or memorandum the Institution, in its discretion, does not contest or from which no further right of judicial review or appeal exists;

(3) a determination from which no further right of appeal exists of any court of competent jurisdiction in the United States in a proceeding in which the Institution has participated or has been a party, or has been given the opportunity to participate or be a party; or

(4) the admission in writing by the Institution;

in any case, to the effect that the interest payable on the Bond of a Holder or a former Holder thereof is includable in gross income for federal income tax purposes; or

(ii) the receipt by the Trustee of a written opinion of Nationally Recognized Bond Counsel to the effect that the interest payable on the Bonds is includable in gross income for federal income tax purposes or the refusal of any such counsel to render a written opinion that the interest on the Bonds is not so includable when required pursuant to a request by a Bondholder in accordance with the procedures set forth in the Indenture;

provided, however, that no such Determination of Taxability described in clauses (i)(B) or (i)(C) hereof shall be considered to exist unless (1) the Holder or former Holder of the Bond involved in such proceeding (y) gives the Institution and the Trustee prompt notice of the commencement thereof and (z) (if the Institution agrees to pay all expenses in connection therewith) offers the Institution the opportunity to control the defense thereof and (2) either (y) the Institution does not agree within thirty (30) days of receipt of such offer to pay such expenses and to control such defense or (z) the Institution shall exhaust or choose not to exhaust all available proceedings for the contest, review, appeal or rehearing of such decree, judgment or action which the Institution determines to be appropriate. A Bondholder shall have the right to request the Trustee to obtain a written opinion of Nationally Recognized Bond Counsel pursuant to clause (ii) above, at the expense of the Institution, upon delivery by the Bondholder to the Institution of a letter from the Bondholder's accountant stating that, in his or her reasonable opinion, interest on the Bonds is includable in the gross income of such Bondholder for federal income tax purposes and stating the reasons for such determination. No Determination of Taxability described above will result from the inclusion of interest on any Bond in the computation of minimum or indirect taxes.

Disbursement Agreement shall mean the Construction Disbursement and Monitoring Agreement, dated the Closing Date, among the Institution, Cumming Construction Management, Inc., as the construction consultant, and the Bondholder Representative, and acknowledged and agreed to by the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith.

DOL shall have the meaning set forth in Section 8.7(a).

Draw-Down Date shall mean the Closing Date and such subsequent dates on which a draw-down for the Series 2018A Bonds shall occur; provided, however, that (i) subsequent Draw-Down Date shall not occur more frequently than monthly; and (ii) no subsequent Draw-Down Date shall occur after July 15, 2020.

DTC shall mean The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

Due Date shall have the meaning set forth in Section 9.9(a).

Earnings Fund shall mean the special trust fund so designated, established pursuant to Section 5.01 of the Indenture.

EMMA shall mean the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board.

Employment Information shall have the meaning set forth in Section 8.7(c).

Entity shall mean any of a corporation, general partnership, limited liability company, limited liability partnership, joint stock company, trust, estate, unincorporated organization, business association, tribe, firm, joint venture, governmental authority or governmental instrumentality, but shall not include an individual.

Environmental Audit shall mean that certain Phase I Environmental Site Assessment Report dated as of May 1, 2018, prepared by the Environmental Auditor and that certain Phase II Environmental Site Assessment Report dated as of May 11, 2018, also prepared by the Environmental Auditor.

Environmental Auditor shall mean PVE, LLC.

Environmental Indemnity Agreement shall mean the Environmental Indemnity Agreement, dated the Closing Date, among the School, the Institution, the Trustee and the Bondholder Representative, and shall include any and all amendments thereto and supplements thereto have made in conformity therewith.

Estimated Project Cost shall mean $36,010,000.

Event of Default shall have the meaning specified in Section 9.1.

Event of Taxability shall mean the date specified in a Determination of Taxability as the date interest paid or payable on any Series 2018A Bond becomes includable for federal income tax purposes in the gross income of any Holder thereof as a consequence of any act, omission or event whatsoever, including any change of law, and regardless of whether the same was within or beyond the control of the Institution.

Excluded Use Agreements shall mean arrangements pursuant to a lease, license or other use or occupancy agreement with the Institution, pursuant to which the Institution permits (if such action is in compliance with the Tax Regulatory Agreement), certain New York City public schools, not-for-profit community groups, governmental community groups, instrumentalities or agencies of local government or organizations which have a 501(c)(3) determination letter from the Internal Revenue Service and will use a portion of the Facility in furtherance of their exempt purpose to use or otherwise have possession of any portion of the Facility; in each case provided that with respect to any lease, use, license or other occupancy arrangement described above, (w) the Institution shall charge no fee or a fee equal to no more than recovery of the Institution's direct costs, (x) such lease, use, license or other occupancy arrangement is on a daily or weekend basis with an aggregate total of all uses by each such entity in a calendar year not to exceed 30 days and

the aggregate of all such lease, use, license or other occupancy arrangements at any one time shall not result in more than an aggregate of twenty percent (20%) of the Completed Improvements Square Footage being utilized in connection with such arrangements; (y) the Institution's insurance shall cover all such arrangements or the Institution shall require that any such user provide additional insurance covering all arrangements prior to commencement of any such arrangements, and (z) all such activities set forth above shall comply with all restrictions and limitations described in the Tax Regulatory Agreement including, but not limited to, nongovernmental use and loan restrictions set forth in Section VII of the Tax Regulatory Agreement.

Existing Facility Property shall have the meaning set forth in Section 3.5(a).

Facility shall mean, collectively, the Facility Personalty and the Facility Realty.

Facility Personalty shall mean those items of machinery, equipment and other items of personalty the acquisition and/or the installation of which is to be financed in whole or in part with the proceeds of the Bonds for installation or use at the Facility Realty as part of the Project pursuant to Section 3.2 and described in Exhibit B — "Description of the Facility Personalty", together with all repairs, replacements, improvements, substitutions and renewals thereof or therefor, and all parts, additions and accessories incorporated therein or affixed thereto. Facility Personalty shall, in accordance with the provisions of Sections 3.5 and 6.4, include all property substituted for or replacing items of Facility Personalty and exclude all items of Facility Personalty so substituted for or replaced, and further exclude all items of Facility Personalty removed as provided in Section 3.5.

Facility Realty shall mean, collectively, the Land and the Improvements.

Final Project Cost Budget shall mean that certain budget of costs paid or incurred for the Project to be submitted by the Institution pursuant to Section 3.2(f) upon completion of the Project.

Fiscal Year shall mean a year of 365 or 366 days, as the case may be, commencing on July 1 and ending on June 30 of the next calendar year, or such other fiscal year of similar length used by the Institution for accounting purposes as to which the Institution shall have given prior written notice thereof to the Issuer, the Bondholder Representative and the Trustee at least ninety (90) days prior to the commencement thereof.

Fitch shall mean Fitch, Inc., a Delaware corporation, its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

Fixed Date Deliverables shall have the meaning set forth in Section 9.9(a)(ii).

GAAP shall mean those generally accepted accounting principles and practices that are recognized as such by the American Institute of Certified Public Accountants or by the Financial Accounting Standards Board or through other appropriate boards or committees thereof, and that are consistently applied for all periods, after the Closing Date, so as to properly reflect the financial position of the Institution, except that any accounting principle or practice required to be changed by the Financial Accounting Standards Board (or other appropriate board or committee of the said

Board) in order to continue as a generally accepted accounting principle or practice may be so changed.

GC shall have the meaning set forth in Section 8.1(a).

Governing Body shall mean, when used with respect to any Entity, its board of directors, board of trustees or individual or group of individuals by, or under the authority of which, the powers of such Entity are exercised.

Government Obligations shall mean the following:

(i) direct and general obligations of, or obligations unconditionally guaranteed by, the United States of America;

(ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America, the payment of which is unconditionally guaranteed as a full faith and credit obligation of the United States of America for the timely payment thereof; or

(iii) securities or receipts evidencing ownership interests in obligations or specified portions (such as principal or interest) of obligations described in clauses (i) or (ii) above.

Hazardous Materials shall include any petroleum, flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 5101, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901, et seq.), and in the regulations adopted and publications promulgated pursuant thereto, or any other federal, state or local environmental law, ordinance, rule, or regulation.

Impositions shall have the meaning set forth in Section 8.17(a).

Improvements shall mean:

(i) all buildings, structures, foundations, related facilities, fixtures and other improvements of every nature whatsoever existing on the Closing Date and hereafter erected or situated on the Land;

(ii) any other buildings, structures, foundations, related facilities, fixtures and other improvements constructed or erected on the Land (including any improvements or demolitions made as part of the Project Work pursuant to Section 3.2); and

(iii) all replacements, improvements, additions, extensions, substitutions, restorations and repairs to any of the foregoing.

Indemnification Commencement Date shall mean June 12, 2018 the date on which the Issuer first adopted a resolution with respect to the Project.

Indemnified Parties shall have the meaning set forth in Section 8.2(a).

Indenture shall mean the Indenture of Trust, dated as of even date herewith, between the Issuer and the Trustee, as from time to time amended or supplemented by Supplemental Indentures in accordance with Article XII of the Indenture.

Independent Accountant shall mean an independent certified public accountant or firm of independent certified public accountants selected by the Institution and approved by the Issuer (such approval not to be unreasonably withheld or delayed) and the Trustee (which approval shall not be unreasonably withheld and shall be given at the direction of the Bondholder Representative, if any).

Independent Consultant shall mean a Person (not an employee of either the Institution or the Issuer or an Affiliate of either thereof) which is chosen and appointed by the Institution from a pool of at least three consultants provided and approved by the Bondholder Representative for the purpose of passing on questions related to its capital needs or operations, has a favorable reputation for skill and experience in performing similar services in respect of entities of a comparable size and nature and is not unsatisfactory to the Issuer and the Trustee.

Independent Engineer shall mean a Person (not an employee of either the Issuer or the Institution or any Affiliate of either thereof) registered and qualified to practice engineering or architecture under the laws of the State, selected by the Institution, and approved in writing by the Trustee (which approval shall not be unreasonably withheld and shall be given at the direction of the Bondholder Representative, if any).

Information Recipients shall have the meaning set forth in Section 8.7(c).

Initial Annual Administrative Fee shall mean $1,250.

Initial Beneficial Owners shall mean Rosemawr Capital III LP and Rosemawr Municipal Partners Fund LP, the initial purchasers and Beneficial Owners of the Initial Bonds.

Initial Bonds shall mean collectively, the Series 2018A Bonds and the Series 2018B Bonds authorized, issued, executed, authenticated and delivered on the Closing Date under the Indenture.

Institution shall mean Friends of Hebrew Public Borrower, LLC, a limited liability company organized and existing under the laws of the State of Delaware that is a disregarded entity for federal tax purposes, having as its sole member, the Organization and its successors and assigns; provided, however, that nothing contained in this definition shall be deemed to limit or modify the obligations of the Institution under Section 8.9 or 8.20.

Institution Documents shall mean the Bond Purchase Agreement, the Loan Agreement, the Mortgage, the Building Loan Agreement, the Lease Agreement, the Assignment of Lease, the Continuing Covenant Agreement, the Disbursement Agreement, the Pledge and Security Agreement, the Account Control Agreement, the Depositary Agreement, the Environmental

Indemnity Agreement, the Agreement to Advance, the Assignment of Development Agreement, the Assignment of Project Agreements and the Tax Regulatory Agreement, each as may be amended from time to time.

Institution's Property shall have the meaning specified in Section 3.4(d).

Insured shall have the meaning set forth in Section 8.1(a).

Insurer shall have the meaning set forth in Section 8.1(a).

Interest Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.01 of the Indenture.

Interest Payment Date shall mean, with respect to the Initial Bonds, June 15 and December 15 of each year, commencing December 15, 2018, and with respect to any Series of Additional Bonds, the dates set forth therefor in the Supplemental Indenture pursuant to which such Series of Additional Bonds are issued.

IRS Determination Letter shall mean that certain ruling letter dated January 16, 2009, issued by the Internal Revenue Service to the Organization confirming that the Organization is a Tax-Exempt Organization.

ISO shall have the meaning set forth in Section 8.1(a).

ISO Form CG-0001 shall have the meaning set forth in Section 8.1(a).

Issuer shall mean Build NYC Resource Corporation, a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State at the direction of the Mayor of the City, and its successors and assigns.

Issuer's Reserved Rights shall mean, collectively,

(i) the right of the Issuer in its own behalf to receive all Opinions of Counsel, reports, financial statements, certificates, insurance policies, binders or certificates, or other notices or communications required to be delivered to the Issuer under this Agreement;

(ii) the right of the Issuer to grant or withhold any consents or approvals required of the Issuer under this Agreement;

(iii) the right of the Issuer to enforce in its own behalf the obligation of the Institution under this Agreement to complete the Project;

(iv) the right of the Issuer to enforce or otherwise exercise in its own behalf all agreements of the Institution under this Agreement with respect to ensuring that the Facility shall always constitute the Approved Facility;

(v) the right of the Issuer to amend with the Institution the provisions of Section 5.1 without the consent of the Trustee or any Bondholder;

(vi) the right of the Issuer in its own behalf (or on behalf of the appropriate taxing authorities) to enforce, receive amounts payable under or otherwise exercise its rights under Article III (except for Section 3.1), Sections 4.4, 4.5 and 4.6, Article V, Article VI, Article VIII (except for Section 8.26), Article IX, Article X, Sections 11.1, 11.3 and 11.5, and Article XII (except Section 12.2); and

(vii) the right of the Issuer in its own behalf to declare a default with respect to any of the Issuer's Reserved Rights and exercise the remedies set forth in Section 9.2(b).

Land shall mean the Institution's interest in those certain lots, pieces or parcels of land in Section 20, Block 6619 and Lot 42 (f/k/a 53 and 42), generally known by the street address of 166 Kings Highway, Brooklyn, New York 11223, all as more particularly described in Exhibit A — "Description of the Land", together with all easements, rights and interests now or hereafter appurtenant or beneficial thereto; but excluding, however, any real property or interest therein released pursuant to Section 8.10(c).

Land Square Footage shall mean approximately 17,425 square feet.

Lease Agreement shall mean the Lease, dated as of August 29, 2018, between the Institution and the School, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Legal Requirements shall mean the Constitutions of the United States and the State of New York and all laws, statutes, codes, acts, ordinances, resolutions, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, certificates of occupancy, directions and requirements (including zoning, land use, planning, environmental protection, air, water and land pollution, toxic wastes, hazardous wastes, solid wastes, wetlands, health, safety, equal opportunity, minimum wage, living wage, prevailing wage, sick leave, healthcare, benefits and employment practices) of all governments, departments, commissions, boards, courts, authorities, agencies, officials and officers, including those of the City, foreseen or unforeseen, ordinary or extraordinary, that are applicable now or may be applicable at any time hereafter to (i) the Institution, (ii) the Facility or any part thereof, or (iii) any use or condition of the Facility or any part thereof.

Letter of Representation and Indemnity Agreement shall mean the Letter of Representation and Indemnity Agreement, dated the Closing Date, from the Institution to the Issuer, the Trustee and the Underwriter of the Initial Bonds.

Liability shall have the meaning set forth in Section 8.2(a).

Liens shall have the meaning specified in Section 8.11(a).

Loan shall mean the loan made by the Issuer to the Institution pursuant to this Agreement as described in Section 4.1.

Loan Payment Date shall mean each August 5, September 5, November 5, January 5, March 5 and May 5, commencing on August 5, 2020.

Loss Event shall have the meaning specified in Section 6.1.

LW has the meaning specified in Section 8.30(b).

LW Agreement has the meaning specified in Section 8.30(b).

LW Agreement Delivery Date has the meaning specified in Section 8.30(b).

LW Event of Default has the meaning specified in Section 8.30(b).

LW Law has the meaning specified in Section 8.30(b).

LW Term has the meaning specified in Section 8.30(b).

LW Violation Final Determination has the meaning specified in Section 8.30(k)(i)(1), Section 8.30(k)(i)(2)(A) or Section 8.30(k)(i)(2)(B), as applicable.

LW Violation Initial Determination has the meaning specified in Section 8.30(k)(i)(2).

LW Violation Notice has the meaning specified in Section 8.30(k)(i).

LW Violation Threshold has the meaning specified in Section 8.30(b).

Majority Holders shall mean the Beneficial Owners of at least a majority in aggregate principal amount of the Bonds Outstanding, or, if the Bonds shall cease to be in book-entry form, the Holders of at least a majority in aggregate principal amount of the Bonds Outstanding.

Maturity Date shall mean (i) in the case of the Series 2018A Bonds, June 15, 2052, and (ii) in the case of the Series 2018B Bonds, June 15, 2027.

Merge shall have the meaning specified in Section 8.20(a)(v).

Moody's shall mean Moody's Investors Service Inc., a Delaware corporation, its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

Mortgage shall mean, collectively, the Mortgage and Security Agreement (Acquisition Loan), Mortgage and Security Agreement (Building Loan) and the Mortgage and Security Agreement (Indirect Loan) relating to the Facility, each dated as of even date herewith, and each from the Institution to the Issuer and the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Mortgaged Property shall have the meaning specified in the Mortgage.

Nationally Recognized Bond Counsel shall mean Nixon Peabody LLP or other counsel acceptable to the Issuer and the Trustee and experienced in matters relating to tax exemption of interest on bonds issued by states and their political subdivisions.

Net Proceeds shall mean, when used with respect to any insurance proceeds or condemnation award, compensation or damages, the gross amount of any such proceeds, award, compensation or damages less all expenses (including reasonable attorneys' fees and any extraordinary expenses of the Issuer or the Trustee) incurred in the collection thereof.

Notice Parties shall mean the Issuer, the Institution, the Bondholder Representative, the Bond Registrar, the Paying Agents and the Trustee.

Notification of Failure to Deliver shall have the meaning specified in Section 9.9(b).

NYCDOF shall mean the New York City Department of Finance.

NYCEDC shall mean New York City Economic Development Corporation, a New York not-for-profit corporation, and any successor thereof.

NYCIDA shall mean the New York City Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State, duly organized and existing under the laws of the State, and any body, board, authority, agency or other governmental agency or instrumentality which shall hereafter succeed to the powers, duties, obligations and functions thereof.

Operations Commencement Date shall have the meaning set forth in Section 5.1(a).

Opinion of Counsel shall mean a written opinion of counsel for the Institution or any other Person (which counsel shall be reasonably acceptable to the Issuer and the Trustee) with respect to such matters as required under any Project Document or as the Issuer or the Trustee may otherwise reasonably require, and which shall be in form and substance reasonably acceptable to the Issuer and the Trustee.

Organization shall mean National Center for Hebrew Language Charter School Excellence and Development, Inc. d/b/a Hebrew Public, a nonstock corporation organized and existing under the laws of the State of Delaware and exempt from federal taxation pursuant to Section 501(c)(3) of the Code, and its successors and assigns, which is the sole member of the Institution, and upon the satisfaction of the conditions set forth in Section 8.31, shall mean Friends of Hebrew Public, Inc., a New York not-for-profit corporation.

Organizational Documents shall mean, (i) in the case of an Entity constituting a limited liability company, the articles of organization or certificate of formation, and the operating agreement of such Entity, (ii) in the case of an Entity constituting a corporation, the charter, articles of incorporation or certificate of incorporation, and the bylaws of such Entity, and (iii) in the case of an Entity constituting a general or limited partnership, the partnership agreement of such Entity.

Outstanding, when used with reference to a Bond or Bonds, as of any particular date, shall mean all Bonds which have been issued, executed, authenticated and delivered under the Indenture, except:

(i) Bonds cancelled by the Trustee because of payment or redemption prior to maturity or surrendered to the Trustee under the Indenture for cancellation;

(ii) any Bond (or portion of a Bond) for the payment or redemption of which, in accordance with Article XI of the Indenture, there has been separately set aside and held in the Redemption Account of the Bond Fund either:

(1) moneys, and/or

(2) Defeasance Obligations in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications as shall be necessary to provide moneys,

in an amount sufficient to effect payment of the principal or applicable Redemption Price of such Bond, together with accrued interest on such Bond to the payment or redemption date, which payment or redemption date shall be specified in irrevocable instructions given to the Trustee to apply such moneys and/or Defeasance Obligations to such payment on the date so specified, provided, that, if such Bond or portion thereof is to be redeemed, notice of such redemption shall have been given as provided in the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice; and

(iii) Bonds in exchange for or in lieu of which other Bonds shall have been authenticated and delivered under Article III of the Indenture,

provided, however, that in determining whether the Holders of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder or under any other Security Document, Bonds owned by the Institution or any Affiliate of the Institution shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded. Bonds which have been pledged in good faith may be regarded as Outstanding for such purposes if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Institution or any Affiliate of the Institution.

Owed Interest has the meaning specified in Section 8.30(b).

Owed Monies has the meaning specified in Section 8.30(b).

Participants shall mean those financial institutions for whom the Securities Depository effects book entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

Paying Agent shall mean any paying agent for the Bonds appointed pursuant to the Indenture (and may include the Trustee) and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the Indenture.

Per Diem Fees shall mean, collectively, the Per Diem Late Fee and the Per Diem Supplemental Late Fee.

Per Diem Late Fee shall mean that per diem late fee established from time to time by the Issuer's Board of Directors generally imposed upon Entities receiving or that have received financial assistance from the Issuer (subject to such exceptions from such general applicability as may be established by the Issuer's Board of Directors) and that have not (x) paid to the Issuer the Annual Administrative Fee on the date required under Section 8.3, (y) delivered to the Issuer all or any of the Fixed Date Deliverables on the respective dates required under Section 8.14 or 8.16, and/or (z) delivered to the Issuer all or any of the Requested Document Deliverables under Section 8.15 within five (5) Business Days of the Issuer having made the request therefor.

Per Diem Supplemental Late Fee shall mean that supplemental per diem late fee established from time to time by the Issuer's Board of Directors generally imposed upon Entities receiving or that have received financial assistance from the Issuer (subject to such exceptions from general applicability as may be established by the Issuer's Board of Directors).

Permitted Encumbrances shall mean:

(i) the Lease Agreement, the Mortgage (as assigned by the Assignment of Mortgage), the Building Loan Agreement, the Pledge and Security Agreement and any other Project Document;

(ii) liens for real estate taxes, assessments, levies and other governmental charges, the payment of which is not yet due and payable;

(iii) any mechanic's, workmen's, repairmen's, materialmen's, contractors', warehousemen's, carriers', suppliers' or vendors' lien, security interest, encumbrance or charge or right in respect thereof, placed on or with respect to the Facility or any part thereof, if payment is not yet due and payable, or if such payment is being disputed pursuant to Section 8.11(b);

(iv) utility, access and other easements and rights of way, restrictions and exceptions that an Authorized Representative of the Institution certifies to the Issuer and the Trustee will not materially interfere with or impair the Institution's use and enjoyment of the Facility as provided in this Agreement;

(v) such minor defects, irregularities, encumbrances, easements, rights of way and clouds on title as normally exist with respect to property similar in character to the Facility as do not, as set forth in a certificate of an Authorized Representative of the Institution delivered to the Issuer and the Trustee, either singly or in the aggregate, render title to the Facility unmarketable or materially impair the property affected thereby for the purpose for which it was acquired or purport to impose liabilities or obligations on the Issuer;

(vi) those exceptions to title to the Mortgaged Property enumerated in the title insurance policy delivered pursuant to Section 3.7 insuring the Trustee's mortgagee interest in the Mortgaged Property, a copy of which is on file at the offices of the Issuer and at the designated corporate trust office of the Trustee;

(vii) liens arising by reason of good faith deposits with the Institution in connection with the tenders, leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by the Institution to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges;

(viii) any lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable the Institution to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with workmen's compensation, unemployment insurance, old age pensions or other social security, or to share in the privileges or benefits required for companies participating in such arrangements;

(ix) any judgment lien against the Institution, so long as the finality of such judgment is being contested in good faith and execution thereon is stayed;

(x) any purchase money security interest in movable personal property, including equipment leases and financing not to exceed the limitations on incurrence of such indebtedness set forth in the Project Documents;

(xi) liens on property due to rights of governmental entities or third party payors for recoupment of excess reimbursement paid;

(xii) a lien, restrictive declaration or performance mortgage with respect to the operation of the Facility arising by reason of a grant or other funding received by the Institution from the City, the State or any governmental agency or instrumentality;

(xiii) any lien on money (or the investment made with such money) held in any depreciation reserve, debt service reserve, construction, debt service or similar fund and granted by the Institution to secure payment of indebtedness permitted by Continuing Covenant Agreement (including any commitment indebtedness, whether or not then drawn upon), and any lien on money (or the investment made with such money) held in any escrow or similar fund to defease indebtedness permitted by the Continuing Covenant Agreement;

(xiv) any lien on pledges, gifts, or grants to be received in the future, including any income derived from the investment thereof and liens on or in property given, bequested or devised to the owner thereof existing at the time of such gift, bequest or devise, provided that (i) such liens attach solely to the property which is the subject of such

gift, bequest or devise, and (ii) the indebtedness secured by such liens is not assumed by the Institution;

(xv) any lien, security interest, encumbrances or charge permitted by the Continuing Covenant Agreement and not otherwise set forth herein; and

(xvi) any lien, security interest, encumbrances or charge which exists in favor of the Trustee or to which the Trustee shall consent in writing (and given at the direction of the Bondholder Representative or, if there is no Bondholder Representative, the Majority Holders).

Person shall mean an individual or any Entity.

Plans and Specifications shall mean the plans and specifications prepared for the Project by or on behalf of the Institution, as amended from time to time by or on behalf of the Institution to reflect any remodeling or relocating of the Project or substitutions, additions, modifications and improvements to the Project made by the Institution in compliance with this Agreement, said plans and specifications being duly certified by an Authorized Representative of the Institution and filed in the designated corporate trust office of the Trustee and available to the Issuer.

Pledge and Security Agreement shall mean the Pledge and Security Agreement, dated as of even date herewith, from the Institution to the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Pledged Collateral shall have the meaning specified in Section 3.1 of the Pledge and Security Agreement.

Policy(ies) shall have the meaning specified in Section 8.1(a).

Predecessor Institution shall have the meaning specified in Section 8.20(b)(ii)(1).

Prevailing Wage Law has the meaning specified in Section 8.30(b).

Principal Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.01 of the Indenture.

Principals shall mean, with respect to any Entity, the most senior three officers of such Entity, any Person with a ten percent (10%) or greater ownership interest in such Entity and any Person as shall have the power to Control such Entity, and "principal" shall mean any of such Persons.

Project shall mean the shall mean the (1) acquisition of the Land; (2) demolition of the existing improvements located on the Land; (3) construction and furnishing and equipping of an approximately 34,570 square foot building comprised of three above-ground stories for general classroom and administrative use and a cellar with mechanical equipment, together with related site improvements; and (4) payment of capitalized interest and certain costs of the issuance of the Initial Bonds.

Project Application Information shall mean the eligibility application and questionnaire submitted to the Issuer by or on behalf of the Institution, for approval by the Issuer of the Project and the providing of financial assistance by the Issuer therefor, together with all other letters, documentation, reports and financial information submitted in connection therewith.

Project Completion Date shall mean the date by which all of the following conditions have been satisfied: (i) the Issuer shall have received a signed and complete certificate of an Authorized Representative of the Institution in substantially the form set forth in Exhibit G – "Form of Project Completion Certificate", together with all attachments required thereunder, (ii) the Project Work shall have been finished and shall have been completed substantially in accordance with the plans and specifications therefor, (iii) the Issuer shall have received a copy of a certificate of occupancy, a temporary certificate of occupancy, an amended certificate of occupancy or a letter of no objection issued by the New York City Department of Buildings from the Institution, (iv) there shall be no certificate, license, permit, authorization, written approval or consent or other document required to permit the occupancy, operation and use of the Facility as the Approved Facility that has not already been obtained or received, except for such certificates, licenses, permits, authorizations, written approvals and consents that will be obtained in the ordinary course of business and the issuance of which are ministerial in nature, and (v) the Facility shall be ready for occupancy, use and operation for the Approved Project Operations in accordance with all applicable laws, regulations, ordinances and guidelines.

Project Cost Budget shall mean that certain budget for costs of the Project Work as set forth by the Institution in Exhibit E — "Project Cost Budget".

Project Costs shall mean:

(i) all costs of engineering and architectural services with respect to the Project, including the cost of test borings, surveys, estimates, permits, plans and specifications and for supervising demolition, construction and renovation, as well as for the performance of all other duties required by or consequent upon the proper construction of, and the making of alterations, renovations, additions and improvements in connection with, the completion of the Project;

(ii) all costs paid or incurred for labor, materials, services, supplies, machinery, equipment and other expenses and to contractors, developers, suppliers, builders and materialmen in connection with the completion of the Project;

(iii) the interest on the Bonds during the construction and renovation of the Project;

(iv) all costs of contract bonds and of insurance that may be required or necessary during the period of Project construction and renovation;

(v) the cost of acquisition of the Facility Realty;

(vi) all costs of title insurance as provided in Section 3.7;

(vii) the payment of the Costs of Issuance with respect to the Initial Bonds;

(viii) the payment of the fees and expenses of the Trustee during the period of construction and renovation of the Project;

(ix) all costs which the Institution shall be required to pay, under the terms of any contract or contracts, for the completion of the Project, including any amounts required to reimburse the Institution for advances made for any item otherwise constituting a Project Cost or for any other costs incurred and for work done which are properly chargeable to the Project; and

(x) all other costs and expenses relating to the completion of the Project or the issuance of a Series of Additional Bonds.

Unless otherwise expressly set forth in the Tax Regulatory Agreement, "Project Costs" shall not include (i) fees or commissions of real estate brokers, (ii) moving expenses, or (iii) operational costs.

Project Documents shall mean, collectively, the Institution Documents and the Security Documents.

Project Fee shall mean $200,050, representing the $205,050 Issuer's financing fee, less the application fee of $5,000.

Project Fund shall mean the special trust fund so designated, established pursuant to Section 5.01 of the Indenture.

Project Work shall mean (i) the design, construction and/or renovation of the Improvements, including the acquisition of building materials and fixtures and any environmental remediation necessary in connection with the construction and/or renovation, and (ii) the acquisition, whether by title or lease, of the Facility Personalty and any work required to install same.

Promissory Note shall mean collectively, the Series 2018A Promissory Note and the Series 2018B Promissory Note each in substantially the form of Exhibit H to this Agreement, and, with respect to any Series of Additional Bonds, that certain Promissory Note in substantially the form of any related Exhibit to an amendment to this Agreement, and shall include in each case any and all amendments thereof and supplements thereto made in conformity with this Agreement and the Indenture.

Qualified Investments shall mean, to the extent permitted by applicable law, the following:

(i) Government Obligations;

(ii) obligations rated at the time of purchase in one of the two highest whole rating categories (without regard to graduations within a category) by Moody's or S&P;

(iii) money market funds investing exclusively in Government Obligations;

(iv) shares of an Investment Company organized under the Investment Company Act of 1940, as amended, including an Investment Company for which the Trustee, or any of its affiliates, is investment advisor, which invests its assets substantially in Government Obligations;

(v) commercial paper rated, at the time of purchase, "Prime - 1" by Moody's and "A-1" or better by S&P;

(vi) direct general obligations of any state of the United States or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated "A3" or better by Moody's and "A-" or better by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated, or Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in this section and rated "AA-" or better by S&P and "Aa3" or better by Moody's (any such securities are without regard to exemption of interest from federal taxation);

(vii) forward purchase agreements by a financial institution rated at the time of execution by any Rating Agency in one of three highest rating categories assigned by such Rating Agency (without regard to any refinement or graduation of rating category by numerical modifier or otherwise). Securities eligible for delivery under the agreement will include those described in sections (i) or (ii) above. Any forward purchase agreement must be accompanied by a bankruptcy opinion that the securities delivered will not be considered part of the bankruptcy estate in the event of a declaration of bankruptcy or insolvency by the provider; or

(viii) investment agreements with banks that at the time such agreement is executed are rated by any Rating Agency in one of the three highest rating categories assigned by such Rating Agency (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) or investment agreements with non-bank financial institutions or vehicles if all of the unsecured, direct long-term debt of either the non-banking financial institution, vehicle, or the related guarantor of such non-bank financial institution or vehicle is rated by any Rating Agency at the time such agreement is executed in one of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) for obligations of that nature; or

(a) if such non-bank financial institutions vehicles or related guarantor have no outstanding long-term debt that is rated, all of the short-

term debt of either the non-banking financial institution, vehicle, or the related guarantor of such non-bank financial institution is rated by any Rating Agency in the highest rating category (without regard to any refinement or gradation of the rating category by numerical modifier or otherwise) assigned to short-term indebtedness by such Rating Agency or

(b) such non-bank financial institution, vehicle, or the related guarantor has a claims paying ability rated by any Rating Agency in one of the three highest rating categories assigned by such Rating Agency (without regard to any refinement or gradation of rating category by numeral modifier or otherwise); provided that if at any time after purchase the provider of the investment agreement drops below the three highest rating categories assigned by such Rating Agency, the investment agreement must, within 30 days, either be assigned to a provider rated in one of the three highest rating categories, or be secured by the provider with collateral securities described in clause (i) (ii) and (iii) above, the fair market value of which, in relation to the amount of the investment agreement including principal and interest, is equal to at least 102%.

Qualified Workforce Program has the meaning specified in Section 8.30(b).

Rating Agency shall mean any of S&P, Moody's or Fitch and such other nationally recognized securities rating agency as shall have awarded a rating to the Initial Bonds.

Rebate Amount shall have the meaning assigned to that term in the Tax Regulatory Agreement.

Rebate Fund shall mean the special trust fund so designated, established pursuant to Section 5.01 of the Indenture.

Recapture Event shall have the meaning set forth in Section 5.1(a).

Recapture Period shall have the meaning set forth in Section 5.1(a).

Redemption Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.01 of the Indenture.

Redemption Date shall mean the date fixed for redemption of Bonds subject to redemption in any notice of redemption given in accordance with the terms of the Indenture.

Redemption Price shall mean, with respect to any Bond or a portion thereof, the principal amount thereof to be redeemed in whole or in part, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or the Indenture.

Renewal Fund shall mean the special trust fund so designated, established pursuant to Section 5.01 of the Indenture.

Repair and Replacement Fund Requirement shall mean the greater of (i) $200,000 or (ii) the amount determined pursuant to the most recent Capital Needs Assessment.

Requested Document Deliverables shall have the meaning set forth in Section 9.9(a).

Required Disclosure Statement shall mean that certain Required Disclosure Statement in the form of Exhibit F — "Form of Required Disclosure Statement".

Revenue Fund means the special trust fund so designated, established pursuant to Section 5.01 of the Indenture.

S&P shall mean S&P Global Ratings, a division of S&P Global, its successors and assigns, and if such limited liability company shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

Sales Taxes shall mean City and State sales and/or compensating use taxes imposed pursuant to Sections 1105, 1107, 1109 and 1110 of the New York State Tax Law, as each of the same may be amended from time to time (including any successor provisions to such statutory sections).

School shall mean Hebrew Language Academy Charter School 2, a not-for-profit education corporation organized and existing under the Laws of the State of New York and exempt from federal taxation and pursuant to Section 501(c)(3) of the Code, and its successors and assigns.

Securities Act shall mean the Securities Act of 1933, as amended, together with any rules and regulations promulgated thereunder.

Security Documents shall mean, collectively, this Agreement, the Promissory Note, the Indenture, the Tax Regulatory Agreement, the Building Loan Agreement, the Mortgage, the Lease Agreement, the Assignment of Lease, the Pledge and Security Agreement, the Account Control Agreement, the Continuing Covenant Agreement, the Disbursement Agreement, the Agreement to Advance, the Assignment of Development Agreement, the Assignment of Project Agreements and the Assignment of Mortgage.

Securities Depository shall mean any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record ownership of book-entry interests in the Bonds, and to effect transfers of book-entry interests in the Bonds in book-entry form, and includes and means initially DTC.

Securities Exchange Act shall mean the Securities Exchange Act of 1934, as amended, together with any rules and regulations promulgated thereunder.

Series shall mean all of the Bonds designated as being of the same series authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor pursuant to the Indenture.

Series 2018A Bonds shall mean the Issuer's $34,030,000 Revenue Bonds, Series 2018A (Friends of Hebrew Public Borrower, LLC Project), authorized, issued, executed, authenticated and delivered on the Closing Date under the Indenture.

Series 2018A Promissory Note shall mean the Promissory Note in substantially the form of Exhibit H-1 to this Agreement.

Series 2018B Bonds shall mean the Issuer's $1,980,000 Taxable Revenue Bonds, Series 2018B (Friends of Hebrew Public Borrower, LLC Project), authorized, issued, executed, authenticated and delivered on the Closing Date under the Indenture.

Series 2018B Promissory Note shall mean the Promissory Note in substantially the form of Exhibit H-2 to this Agreement.

Sign shall have the meaning specified in Section 8.5.

Sinking Fund Installment shall mean an amount so designated and which is established for mandatory redemption on a date certain of the Bonds of any Series of Bonds pursuant to the Indenture. The portion of any such Sinking Fund Installment of a Series of Bonds remaining after the deduction of any amounts credited pursuant to the Indenture toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments of such Series of Bonds due on a future date.

Sinking Fund Installment Account shall mean the special trust account of the Bond Fund so designated, which is established pursuant to Section 5.01 of the Indenture.

SIR shall have the meaning set forth in Section 8.1(a).

Site Affiliates has the meaning specified in Section 8.30(b).

Site Employee has the meaning specified in Section 8.30(b).

Small Business Cap has the meaning specified in Section 8.30(b).

Specified Contract has the meaning specified in Section 8.30(b).

State shall mean the State of New York.

Successor Institution shall have the meaning specified in Section 8.20(b)(ii).

Supplemental Indenture shall mean any indenture supplemental to or amendatory of the Indenture, executed and delivered by the Issuer and the Trustee in accordance with Article XII of the Indenture.

Tax-Exempt Organization shall mean an Entity organized under the laws of the United States of America or any state thereof which is an organization described in Section 501(c)(3) of

the Code and exempt from Federal income taxes under 501(a) of Code, or corresponding provisions of Federal income tax laws from time to time in effect.

Tax Regulatory Agreement shall mean the Tax Regulatory Agreement, dated the Closing Date, from the Issuer, the Organization, the Institution and the School to the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Termination Date shall mean such date on which this Agreement may terminate pursuant to Article X.

Transfer shall have the meaning specified in Section 8.20(a)(iv).

Trustee shall mean The Bank of New York Mellon, New York, New York in its capacity as trustee under the Indenture, and its successors in such capacity and their assigns hereafter appointed in the manner provided in the Indenture.

Trust Estate shall mean all property, interests, revenues, funds, contracts, rights and other security granted to the Trustee under the Security Documents.

U/E shall have the meaning set forth in Section 8.1(a).

Underwriter shall mean D. A. Davidson & Co.

Workers' Compensation shall have the meaning set forth in Section 8.1(a).

Section 1.2 Construction. In this Agreement, unless the context otherwise requires:

(a) The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this Agreement, refer to this Agreement, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the Closing Date.

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa.

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships and limited liability partnerships), trusts, corporations, limited liability companies and other legal entities, including public bodies, as well as natural persons.

(d) Any headings preceding the texts of the several Articles and Sections of this Agreement, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

(e) Unless the context indicates otherwise, references to designated "Exhibits", "Articles", "Sections", "Subsections", "clauses" and other subdivisions are to the designated Exhibits, Articles, Sections, Subsections, clauses and other subdivisions of or to this Agreement.

(f) The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation".

(g) The word "will" shall be construed to have the same meaning and effect as the word "shall".

(h) Any definition of or reference to any agreement, instrument or other document herein shall be construed to refer to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth therein or herein).

(i) Any reference to any Person, or to any Person in a specified capacity, shall be construed to include such Person's successors and assigns or such Person's successors in such capacity, as the case may be.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Warranties by Issuer. The Issuer makes the following representations and warranties:

(a) The Issuer is a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State at the direction of the Mayor of the City, and is duly organized and validly existing under the laws of the State.

(b) Assuming the accuracy of representations made by the Institution, the Issuer is authorized and empowered to enter into the transactions contemplated by this Agreement and any other Project Documents to which the Issuer is a party and to carry out its obligations hereunder and thereunder and to issue and sell the Initial Bonds.

(c) By proper action of its board of directors, the Issuer has duly authorized the execution and delivery of this Agreement and each of the other Project Documents to which the Issuer is a party.

(d) In order to finance a portion of the cost of the Project, the Issuer proposes to issue the Initial Bonds in the Authorized Principal Amount. The Initial Bonds will mature, bear interest, be redeemable and have the other terms and provisions set forth in the Indenture.

(e) The Issuer is that not-for-profit local development corporation formed and existing on behalf of the City to act as a governmental issuer of tax-exempt and taxable bonds and notes for the purpose of providing financial assistance to not-for-profit institutions and manufacturing and industrial companies and other businesses.

(f) The Issuer has all requisite power, authority and legal right to execute and deliver the Project Documents to which it is a party and all other instruments and documents to be executed and delivered by the Issuer pursuant hereto and thereto and to perform its obligations under the Project Documents and all such other instruments and documents to which it is a party.

All corporate action on the part of the Issuer which is required for the execution, delivery, performance and observance by the Issuer of the Project Documents and all such other instruments and documents to which it is a party has been duly authorized and effectively taken, and such execution, delivery, performance and observance by the Issuer do not contravene the Issuer's Organizational Documents or any applicable Legal Requirements or any contractual restriction binding on or affecting the Issuer.

(g) There is no action or proceeding before any court, governmental agency or arbitrator pending or, to the knowledge of the Issuer, threatened against the Issuer, which seeks (i) to restrain or enjoin the issuance or delivery of the Initial Bonds, the pledge and grant of the Trust Estate or the collection of any revenues pledged under the Indenture, (ii) to contest or affect in any way the authority for the issuance of the Initial Bonds or the validity of any of the Project Documents, or (iii) to contest in any way the existence or powers of the Issuer.

Section 2.2 Representations and Warranties by the Institution. The Institution makes the following representations and warranties:

(a) The Institution (i) is a disregarded entity for federal income tax purposes, organized under the laws of the State of Delaware, having as its sole member, the Organization, (ii) is validly existing and in good standing under the laws of the State of Delaware, (iii) is duly qualified to do business and in good standing under the laws of the State, (iv) is not in violation of any provision of its Organizational Documents, and (v) has the requisite power and authority to own its property and assets, to carry on its business as now being conducted by it and to execute, deliver and perform this Agreement and each other Project Document to which it is or shall be a party. The Organization is a not-for-profit corporation duly organized under the laws of the State.

(b) This Agreement and the other Project Documents to which the Institution is a party (x) have been duly authorized by all necessary action on the part of the Institution, (y) have been duly executed and delivered by the Institution, and (z) constitute the legal, valid and binding obligations of the Institution, enforceable against the Institution in accordance with their respective terms.

(c) The execution, delivery and performance of this Agreement and each other Project Document to which the Institution is or shall be a party and the consummation of the transactions herein and therein contemplated will not (x) violate any provision of law, any order of any court or agency of government, or any of the Organizational Documents of the Institution, or any indenture, agreement or other instrument to which the Institution is a party or by which it or any of its property is bound or to which it or any of its property is subject, (y) be in conflict with or result in a breach of or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or other instrument or (z) result in the imposition of any lien, charge or encumbrance of any nature whatsoever other than Permitted Encumbrances.

(d) There is no action or proceeding pending or, to the best of the Institution's knowledge, after diligent inquiry, threatened, by or against the Institution by or before any court or administrative agency that would adversely affect the ability of the Institution to perform its obligations under this Agreement or any other Project Document to which it is or shall be a party.

(e) The financial assistance provided by the Issuer to the Institution as contemplated by this Agreement is necessary to induce the Institution to proceed with the Project.

(f) Undertaking the Project is anticipated to serve the corporate public purposes of the Issuer by preserving permanent, private sector jobs or increasing the overall number of permanent, private sector jobs in the State.

(g) The Facility will be the Approved Facility.

(h) Except as permitted by Section 8.9, no Persons other than the School and the Institution are or will be in use, occupancy or possession of any portion of the Facility.

(i) The Institution has obtained all authorizations, consents and approvals of governmental bodies or agencies required to be obtained by it as of the Closing Date in connection with the execution and delivery of this Agreement and each other Project Document to which it shall be a party or in connection with the performance of its obligations hereunder and under each of the Project Documents.

(j) The Project will be designed, and the operation of the Facility will be, in compliance with all applicable Legal Requirements.

(k) The Institution is in compliance, and will continue to comply, with all applicable Legal Requirements relating to the Project, the Project Work and the operation of the Facility.

(l) The Institution has delivered to the Issuer a true, correct and complete copy of the Environmental Audit.

(m) The Institution has not used Hazardous Materials on, from, or affecting the Facility in any manner that violates any applicable Legal Requirements governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials, and except as set forth in the Environmental Audit, to the best of the Institution's knowledge, no prior owner or occupant of the Facility has used Hazardous Materials on, from, or affecting the Facility in any manner that violates any applicable Legal Requirements.

(n) The Project Cost Budget attached as Exhibit E — "Project Cost Budget" represents a true, correct and complete budget as of the Closing Date of the proposed costs of the Project; the Estimated Project Cost is a fair and accurate estimate of the Project Cost as of the Closing Date. Expenses for supervision by the officers or employees of the Institution and expenses for work done by such officers or employees in connection with the Project will be included as a Project Cost only to the extent that such Persons were specifically employed for such particular purpose, the expenses do not exceed the actual cost thereof and are to be treated on the books of the Institution as a capital expenditure in conformity with GAAP. Any costs incurred with respect to that part of the Project paid from the proceeds of the sale of the Initial Bonds shall be treated on the books of the Institution as capital expenditures in conformity with GAAP.

(o) The total cost of the Project Work being funded with the Initial Bonds is not less than the Authorized Principal Amount. That portion of the Estimated Project Cost as shall not

derive from the proceeds of the Initial Bonds shall be provided from equity on the part of the Institution. The amounts provided to the Institution from the proceeds of the Initial Bonds, together with other moneys available to the Institution, are sufficient to pay all costs in connection with the completion of the Project.

(p) All of the Land comprises one complete tax lot and no portion of any single tax lot.

(q) Subject to Section 3.5 and Article VI, no property constituting part of the Facility shall be located at any site other than at the Facility Realty.

(r) The Completed Improvements Square Footage and the Land Square Footage are true and correct.

(s) The Fiscal Year is true and correct.

(t) None of the Institution, the Principals of the Institution, or any Person that is an Affiliate of the Institution:

(i) is in default or in breach, beyond any applicable grace period, of its obligations under any written agreement with the Issuer, the NYCIDA, the NYCEDC or the City, unless such default or breach has been waived in writing by the Issuer, the NYCIDA, the NYCEDC or the City, as the case may be;

(ii) has been convicted of a misdemeanor related to truthfulness and/or business conduct in the past five (5) years;

(iii) has been convicted of a felony in the past ten (10) years;

(iv) has received formal written notice from a federal, state or local governmental agency or body that such Person is currently under investigation for a felony criminal offense; or

(v) has received written notice of default in the payment to the City of any taxes, sewer rents or water charges, which have not been paid, unless such default is currently being contested with due diligence in proceedings in court or other appropriate forum.

(u) The Project Application Information was true, correct and complete as of the date submitted to the Issuer, and no event has occurred or failed to occur since such date of submission which would cause any of the Project Application Information to include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make such statements not misleading.

(v) The Principals of the Institution, and their respective titles to the Institution, as set forth in Exhibit D — "Principals of Institution", are true, correct and complete.

(w) The representations, warranties, covenants and statements of expectation of the Institution set forth in the Tax Regulatory Agreement are by this reference incorporated in this Agreement as though fully set forth herein.

(x) The property included in the Project is either property of the character subject to the allowance for depreciation under Section 167 of the Code, or land.

(y) No part of the proceeds of the Initial Bonds will be used to finance inventory or will be used for working capital, or will be used for any other property not constituting part of the Facility.

(z) The Institution has fee title in the Facility and has no present intention to sell, directly or indirectly, in whole or in part, its interest in the Facility.

(aa) The Organization is in compliance with the provisions of the Code and any applicable regulations thereunder necessary to maintain its exempt status under Section 501(a) of the Code.

(bb) The Organization is exempt from Federal income taxes under Section 501(a) of the Code.

(cc) The Organization is an organization described in Section 501(c)(3) of the Code and has received the IRS Determination Letter. The facts and circumstances which form the basis of the IRS Determination Letter continue substantially to exist as represented to the Internal Revenue Service. The IRS Determination Letter has not been modified, limited or revoked, and the Organization is in compliance with all terms, conditions and limitations, if any, contained in or forming the basis of the IRS Determination Letter.

(dd) The Organization is not a "private foundation", as defined in Section 509 of the Code.

(ee) The Institution is not a "private foundation", as defined in Section 509 of the Code.

(ff) The School is registered with the New York State Department of Education as an eligible education institution.

(gg) The School is formed under the Education Law of the State of New York and is chartered by the New York Board of Regents.

(hh) Neither the Institution, the School nor any of their Subsidiaries (as defined in the Continuing Covenant Agreement) have made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment. The Institution, the School and their Subsidiaries, as applicable, have instituted and maintained policies and procedures designed to promote and achieve compliance with all applicable anticorruption laws and regulations.

ARTICLE III

THE PROJECT; MAINTENANCE; REMOVAL OF PROPERTY AND TITLE INSURANCE

Section 3.1 Agreement to Undertake Project.

The Institution covenants and agrees to undertake and complete the Project Work in accordance with this Agreement, including, without limitation:

(i) effecting the Project Work,

(ii) making, executing, acknowledging and delivering any contracts, orders, receipts, writings and instructions with any other Persons, and in general doing all things which may be requisite or proper, all for the purposes of undertaking the Project Work,

(iii) paying all fees, costs and expenses incurred in the Project Work from funds made available therefor in accordance with or as contemplated by this Agreement and the Indenture, and

(iv) asking, demanding, suing for, levying, recovering and receiving all such sums of money, debts due and other demands whatsoever that may be due, owing and payable to the Institution under the terms of any contract, order, receipt or writing in connection with the Project Work and to enforce the provisions of any contract, agreement, obligation, bond or other performance security entered into or obtained in connection with the Project Work.

Section 3.2 Manner of Project Completion.

(a) The Institution will complete the Project Work, or cause the Project Work to be completed, by the Completion Deadline, in a first class workmanlike manner, free of defects in materials and workmanship (including latent defects); provided, however, the Institution may revise the scope of the Project Work, subject to the prior written consents of the Issuer, the Trustee and the Bondholder Representative (which consents shall not be unreasonably withheld, delayed or conditioned). The Institution will cause the Project Completion Date to occur by the Completion Deadline.

(b) In undertaking the Project Work, the Institution shall take such action and institute such proceedings as shall be necessary to cause and require all contractors, manufacturers and suppliers to complete their agreements relating to the Project Work in accordance with the terms of the contracts therefor including the correction of any defective work. Upon request, the Institution will extend to the Issuer or the Trustee all vendors' warranties received by the Institution in connection with the Project, including any warranties given by contractors, manufacturers or service organizations who perform Project Work.

(c) Project Costs shall be paid from the Project Fund or other funds provided by the Institution. In the event that moneys in the Project Fund are not sufficient to pay the costs necessary to complete the Project in full, the Institution shall pay that portion of such costs of the Project as may be in excess of the moneys therefor in the Project Fund and shall not be entitled to

any reimbursement therefor from the Issuer, the Trustee or the Holders of any of the Bonds (except from the proceeds of Additional Bonds which may be issued for that purpose), nor shall the Institution be entitled to any diminution of the loan payments payable or other payments to be made under this Agreement, under the Promissory Note or under any other Project Document. All expenses incurred by the Institution or the Issuer in connection with the performance of its obligations under this Section 3.2(c) shall be considered a Project Cost. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing, after deduction of expenses incurred in such recovery, if recovered prior to the date of completion of the Project, shall be deposited into the Project Fund and made available for payment of Project Costs, or if recovered after such date of completion, be deposited, on a pro rata basis, in the subaccounts of the Redemption Account of the Bond Fund.

(d) The Institution shall pay all costs, charges, fees, expenses or claims incurred in connection with the Project Work.

(e) The Institution will perform or cause to be performed the Project Work in accordance with all applicable Legal Requirements and with the conditions and requirements of all policies of insurance with respect to the Facility and the Project Work. Promptly upon finishing of the Project Work and the completion of the Improvements, the Institution will obtain or cause to be obtained all required permits, authorizations and licenses from appropriate authorities, if any be required, authorizing the occupancy, operation and use of the Facility as an Approved Facility and shall furnish copies of same to the Trustee immediately upon the receipt thereof and to the Issuer immediately upon demand therefor.

(f) Upon completion of the Project Work, the Institution shall (y) deliver to the Issuer the Final Project Cost Budget, which budget will include a comparison with the Project Cost Budget, and indicate the source of funds (i.e., Bond proceeds, equity, etc.) for each cost item, and (z) evidence the completion of the Project and the occurrence of the Project Completion Date by delivering to the Issuer, the Trustee and the Bondholder Representative a certificate of an Authorized Representative of the Institution in substantially the form set forth in Exhibit G – "Form of Project Completion Certificate", together with all attachments required thereunder. If the Institution submits a temporary certificate of occupancy in connection with the submission of such certificate, the Institution shall deliver the final certificate of occupancy to the Trustee and the Bondholder Representative promptly upon the Institution's receipt thereof.

(g) Upon request by the Issuer, the Trustee or the Bondholder Representative, the Institution shall make available to the Issuer, the Trustee and the Bondholder Representative copies of any bills, invoices or other evidences of costs as shall have been incurred in the effectuation of the Project Work.

(h) In the event that the aggregate costs of the Project Work upon the completion thereof shall be significantly different from the estimated costs thereof set forth in the Project Cost Budget (i.e., more than a ten percent (10%) difference in either total Project costs or in major categories of Project Work cost), on request of the Issuer, the Institution shall provide evidence to the reasonable satisfaction of the Issuer as to the reason for such discrepancy, and that the scope of the Project Work as originally approved by the Issuer has not been modified in a material manner without the prior written consent of the Issuer.

Section 3.3 Maintenance. (a) During the term of this Agreement, the Institution will:

(i) keep the Facility in good and safe operating order and condition, ordinary wear and tear excepted,

(ii) occupy, use and operate the Facility, or cause the Facility to be occupied, used and operated, as the Approved Facility, and

(iii) make or cause to be made all replacements, renewals and repairs thereto (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen) necessary to ensure that (x) the interest on the Series 2018A Bonds shall not cease to be excludable from gross income for federal income tax purposes, (y) the operations of the Institution at the Facility shall not be materially impaired or diminished in any way, and (z) the security for the Bonds shall not be materially impaired.

(b) All replacements, renewals and repairs shall be similar in quality, class and value to the original work and be made and installed in compliance with all applicable Legal Requirements.

(c) The Issuer shall be under no obligation to replace, service, test, adjust, erect, maintain or effect replacements, renewals or repairs of the Facility, to effect the replacement of any inadequate, obsolete, worn out or unsuitable parts of the Facility, or to furnish any utilities or services for the Facility, and the Institution hereby agrees to assume full responsibility therefor.

Section 3.4 Alterations and Improvements.

(a) The Institution shall have the privilege of making such alterations of or additions to the Facility Realty ("**Additional Improvements**") or any part thereof from time to time as it in its discretion may determine to be desirable for its uses and purposes, provided that:

(i) as a result of the Additional Improvements, the fair market value of the Facility is not reduced below its fair market value immediately before the Additional Improvements are made and the usefulness, structural integrity or operating efficiency of the Facility is not materially impaired,

(ii) the Additional Improvements are effected with due diligence, in a good and workmanlike manner and in compliance with all applicable Legal Requirements,

(iii) the Additional Improvements are promptly and fully paid for by the Institution in accordance with the terms of the applicable contract(s) therefor, and

(iv) the Additional Improvements do not change the nature of the Facility so that it would not constitute the Approved Facility.

(b) All Additional Improvements shall constitute a part of the Facility, subject to this Agreement and the Mortgage.

(c) If at any time after the Operations Commencement Date, the Institution shall make any Additional Improvements, the Institution shall notify an Authorized Representative of the Issuer of such Additional Improvements by delivering written notice thereof within thirty (30) days after the completion of the Additional Improvements.

(d) In addition to the Facility Personalty, the Institution shall have the right to install or permit to be installed at the Facility Realty, machinery, equipment and other personal property at the Institution's own cost and expense (the "**Institution's Property**"). Once so installed, the Institution's Property shall not constitute part of the Facility Personalty and shall not be subject to this Agreement, nor constitute part of the Facility, or subject to the lien and security interest of the Mortgage, provided that the same is not made fixtures appurtenant to the Facility Realty. The Institution shall have the right to create or permit to be created any mortgage, encumbrance, lien or charge on, or conditional sale or other title retention agreement with respect to, the Institution's Property, without the consent of or notice to the Issuer or the Trustee, provided, that such mortgage, encumbrance, lien, charge, conditional sale or other title retention agreement complies with the provisions of the Continuing Covenant Agreement.

Section 3.5 Removal of Property of the Facility.

(a) The Institution shall have the right from time to time to remove from that property constituting part of the Facility any fixture constituting part of the Facility Realty or any machinery, equipment or other item of personal property constituting part of the Facility Personalty (in any such case, the "**Existing Facility Property**") and thereby removing such Existing Facility Property from that property constituting part of the Facility and the lien and security interest of the Mortgage, provided, however:

(i) such Existing Facility Property is substituted or replaced by property (y) having equal or greater fair market value, operating efficiency and utility and (z) free of all mortgages, liens, charges, encumbrances, claims and security interests other than Permitted Encumbrances, or

(ii) if such Existing Facility Property is not to be substituted or replaced by other property but is instead to be sold, scrapped, traded-in or otherwise disposed of in an arms'-length bona fide transaction for consideration, the Institution shall pay to the Trustee for deposit, on a pro rata basis, in the subaccounts of the Redemption Account of the Bond Fund and thereby cause a redemption of Bonds to be effected in an amount (to the nearest integral multiple of Authorized Denomination) equal to the amounts derived from such sale or scrapping, the trade-in value credit received or the proceeds received from such other disposition; provided that no such redemption shall be required when such amount received in connection with any removal or series of removals does not exceed, in the aggregate, $50,000.

No such removal set forth in paragraph (i) or (ii) above shall be effected if (v) such removal would cause the interest on the Bonds (other than the Series 2018B Bonds and any taxable Additional Bonds) to cease to be excludable from gross income for federal income tax purposes, (w) such removal would change the nature of the Facility as the Approved Facility, (x) such removal would materially impair the usefulness, structural integrity or operating efficiency of the Facility, (y) such

removal would materially reduce the fair market value of the Facility below its fair market value immediately before such removal (except by the amount by which the Bonds are to be redeemed as provided in paragraph (ii) above), or (z) there shall exist and be continuing an Event of Default hereunder. Any amounts received pursuant to paragraph (ii) above in connection with any removal or series of removals, which are not in excess of $50,000, shall be retained by the Institution.

(b) The removal from the Facility of any Existing Facility Property pursuant to the provisions of Section 3.5(a) shall not entitle the Institution to any abatement or reduction in the loan payments and other amounts payable by the Institution under this Agreement, under the Promissory Note or under any other Project Document.

Section 3.6 Implementation of Additional Improvements and Removals.

(a) In the event of any Additional Improvements or substitution or replacement of property pursuant to Section 3.4 or 3.5, the Institution shall deliver or cause to be delivered to the Issuer and the Trustee any necessary documents in order to subject such Additional Improvements or substitute or replacement property to the lien and security interest of the Mortgage (in each case to the extent such Additional Improvements or substitute or replacement property relates to the Mortgaged Property) and to cause all of same to be made part of the Facility.

(b) The Institution agrees to pay all costs and expenses (including reasonable counsel fees) in subjecting, in accordance with Section 3.4, Additional Improvements to, or releasing, in accordance with Section 3.5, Existing Facility Property from the lien and security interest of the Mortgage.

(c) The Institution agrees, upon request of the Issuer, the Trustee or the Bondholder Representative to furnish to the Issuer, the Trustee and the Bondholder Representative with a certificate of an Authorized Representative of the Institution indicating whether or not the Institution has taken any action to (i) effect Additional Improvements in compliance with Section 3.4 and (ii) effect the removal of Existing Facility Property in compliance with Section 3.5(a), pursuant to Sections 8.15(d) and (e), respectively.

Section 3.7 Title Insurance. On or prior to the Closing Date, the Institution will obtain and deliver (w) to the Issuer a title report (in form and substance acceptable to the Issuer) reflecting all matters of record with respect to the Land and existing Improvements, (x) to the Issuer a full set of municipal department search results showing only Permitted Encumbrances, (y) to the Trustee a mortgagee title insurance policy in an amount not less than the Authorized Principal Amount of the Initial Bonds, insuring the Trustee's interest under the Mortgage as a holder of a mortgage lien on the Mortgaged Property, subject only to Permitted Encumbrances, and (z) a current or updated survey of each of the Land and the Improvements constituting part of the Mortgaged Property, certified to the Trustee, the Issuer and the title company issuing such title insurance policy. The title insurance policy shall be subject only to Permitted Encumbrances and shall provide for, among other things, the following: (1) full coverage against mechanics' liens; (2) no exceptions other than those approved by the Trustee; (3) an undertaking by the title insurer to provide the notice of title continuation or endorsement; and (4) such other matters as the Trustee shall request. Any proceeds of such mortgagee title insurance shall be paid to the Trustee for deposit in the Renewal Fund and applied to remedy the applicable defect in title in respect of which

such proceeds shall be derived (including the reimbursement to the Institution for any costs incurred by the Institution in remedying such defect in title). If not so capable of being applied or if a balance remains after such application, the amounts in the Renewal Fund shall be transferred by the Trustee, on a pro rata basis, to the subaccounts of the Redemption Account of the Bond Fund and used to redeem an equivalent principal amount of the Initial Bonds to the nearest integral multiple of Authorized Denominations.

Section 3.8 No Warranty of Condition or Suitability. THE ISSUER HAS MADE AND MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, FITNESS, DESIGN, OPERATION OR WORKMANSHIP OF ANY PART OF THE FACILITY, ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OR CAPACITY OF THE MATERIALS IN THE FACILITY, OR THE SUITABILITY OF THE FACILITY FOR THE PURPOSES OR NEEDS OF THE INSTITUTION OR THE EXTENT TO WHICH PROCEEDS DERIVED FROM THE SALE OF THE BONDS WILL BE SUFFICIENT TO PAY THE COST OF COMPLETION OF THE PROJECT. THE INSTITUTION ACKNOWLEDGES THAT THE ISSUER IS NOT THE MANUFACTURER OF THE FACILITY PERSONALTY NOR THE MANUFACTURER'S AGENT NOR A DEALER THEREIN. THE INSTITUTION IS SATISFIED THAT THE FACILITY IS SUITABLE AND FIT FOR PURPOSES OF THE INSTITUTION. THE ISSUER SHALL NOT BE LIABLE IN ANY MANNER WHATSOEVER TO THE INSTITUTION OR ANY OTHER PERSON FOR ANY LOSS, DAMAGE OR EXPENSE OF ANY KIND OR NATURE CAUSED, DIRECTLY OR INDIRECTLY, BY THE PROPERTY OF THE FACILITY 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.

ARTICLE IV

LOAN; PAYMENT PROVISIONS

Section 4.1 Loan of Proceeds. The Issuer agrees, upon the terms and conditions contained in this Agreement and the Indenture, to loan the proceeds from the sale of the Initial Bonds to the Institution (the "**Loan**"). The Loan shall be made by depositing on the Closing Date and on each Draw-Down Date thereafter the proceeds from the sale of the Initial Bonds into the Project Fund in accordance with Section 4.01 of the Indenture. Such proceeds shall be disbursed to or on behalf of the Institution as provided in Section 3.2(c) and Section 5.02 of the Indenture.

Section 4.2 Promissory Note. The Institution's obligation to repay the Loan shall be evidenced by this Agreement and the Promissory Note. On the Closing Date, the Institution shall execute and deliver the Promissory Note payable to the Issuer, and the Issuer will endorse the Promissory Note to the Trustee. The Institution acknowledges that the original principal amount payable under the Promissory Note may be more or less than the original principal amount of the Loan if the Initial Bonds are sold at a discount or at a premium, respectively, and agrees that repayment of the Loan and the Promissory Note will be made in accordance with Section 4.3.

Section 4.3 Loan Payments; Pledge of this Agreement and of the Promissory Note.

(a) The Institution covenants to pay the Promissory Note and repay the Loan made pursuant to this Agreement by making loan payments which the Issuer agrees shall be paid in immediately available funds by the Institution directly to the Trustee on each Loan Payment Date (except as provided in Section 4.3(a)(iv), (v), (vi), (vii) and (viii) below which shall be paid on the respective due dates thereof) for deposit in the subaccounts of the Accounts of the Bond Fund (except to the extent that amounts are on deposit in the subaccounts of the Accounts of the Bond Fund and available therefor) in an amount equal to the sum of:

(i) with respect to interest due and payable on the Initial Bonds, an amount equal to the quotient obtained by dividing the amount of interest on the Initial Bonds Outstanding payable on the first Interest Payment Date (after taking into account any amount on deposit in the subaccounts of the Interest Account of the Bond Fund, and as shall be available to pay interest on the Initial Bonds on the first Interest Payment Date) by the number of Loan Payment Dates between the Closing Date and the first Interest Payment Date, and thereafter in an amount equal to one-third (1/3) of the amount of interest which will become due and payable on the Initial Bonds on the next succeeding Interest Payment Date (after taking into account any amounts on deposit in the subaccounts of the Interest Account of the Bond Fund, and as shall be available to pay interest on the Initial Bonds on such next succeeding Interest Payment Date); provided that in any event the aggregate amount so paid with respect to interest on the Initial Bonds on or before the Loan Payment Date immediately preceding an Interest Payment Date shall be an amount sufficient to pay the interest next becoming due on the Initial Bonds on such immediately succeeding Interest Payment Date;

(ii) with respect to principal due on the Initial Bonds (other than such principal amount as shall become due as a mandatory Sinking Fund Installment payment), commencing on that Loan Payment Date as shall precede the first principal payment date by more than twelve (12) but less than thirteen (13) months, an amount equal to one-sixth (1/6) of the amount of the principal of the Bonds Outstanding becoming due (other than by reason of mandatory Sinking Fund Installments) within the next succeeding thirteen (13) month period (or, if the first principal payment date following the Closing Date shall be on a date sooner than thirteen (13) calendar months following the Closing Date, then, with respect to such first principal amount, an amount equal to the quotient obtained by dividing such principal amount by the number of Loan Payment Dates between the Closing Date and such first principal payment date), and thereafter for each principal payment date commencing on that Loan Payment Date as shall precede such principal payment date by more than twelve (12) but less than thirteen (13) months, an amount equal to one-sixth (1/6) of the amount of the principal of the Bonds Outstanding becoming due (other than by reason of mandatory Sinking Fund Installments) within such next succeeding thirteen (13) month period; provided that in any event the aggregate amount so paid with respect to principal on the Initial Bonds on or before the Loan Payment Date immediately preceding a principal payment date of the Initial Bonds shall be an amount sufficient to pay the principal of the Initial Bonds Outstanding becoming due on such next succeeding principal payment date of the Initial Bonds; provided further that in the event of the acceleration of the principal of the Initial Bonds, a loan payment in the amount of the principal amount of

the Initial Bonds Outstanding (together with all interest accrued thereon to the date of payment), shall be due and payable on such date of acceleration;

(iii) with respect to Sinking Fund Installment payments due on the Initial Bonds, commencing on that Loan Payment Date as shall precede the first Sinking Fund Installment payment date by more than twelve (12) but less than thirteen (13) months, an amount equal to one-sixth (1/6) of the amount of the Sinking Fund Installment on the Initial Bonds first becoming due within the next succeeding thirteen (13) month period (or, if the first Sinking Fund Installment payment date following the Closing Date shall be on a date sooner than thirteen (13) calendar months following the Closing Date, then, with respect to such first Sinking Fund Installment, an amount equal to the quotient obtained by dividing such Sinking Fund Installment by the number of Loan Payment Dates between the Closing Date and such first Sinking Fund Installment payment date), and thereafter for each Sinking Fund Installment payment date commencing on that Loan Payment Date as shall precede such Sinking Fund Installment payment date by more than twelve (12) but less than thirteen (13) months, an amount equal to one-sixth (1/6) of the amount of the Sinking Fund Installment of the Initial Bonds Outstanding becoming due within such next succeeding thirteen (13) month period; provided that in any event the aggregate amount so paid with respect to Sinking Fund Installments on the Initial Bonds on or before the Loan Payment Date immediately preceding a Sinking Fund Installment payment date of the Initial Bonds shall be an amount sufficient to pay the Sinking Fund Installment of the Initial Bonds Outstanding becoming due on such next succeeding Sinking Fund Installment payment date;

(iv) on each redemption date, with respect to the Redemption Price (other than by Sinking Fund Installments) due and payable on the Initial Bonds, whether as an optional or mandatory redemption, an amount equal to the Redemption Price together with accrued interest on the Initial Bonds being redeemed on such redemption date; and

(v) to the extent funds are available therefor in the Revenue Fund, each July 1, commencing July 1, 2021 and continuing through and including July 1, 2025, an amount equal to $259,082.50 (or $259,082.51 on July 1, 2025) for deposit in the Series 2018A Account of the Debt Service Reserve Fund; provided, however, that no additional payments shall be made into the Series 2018A Account of the Debt Service Reserve Fund once the balance therein is equal to the Debt Service Reserve Fund Requirement as of such date;

(vi) upon receipt by the Institution of notice from the Trustee pursuant to Section 5.09(f) of the Indenture that the amount on deposit in the accounts of the Debt Service Reserve Fund shall be less than the Debt Service Reserve Fund Requirement, the Institution shall pay to the Trustee for deposit in the accounts of the Debt Service Reserve Fund on the Loan Payment Date immediately following the receipt by the Institution of notice of such deficiency, and on each of the five (5) succeeding Loan Payment Dates, or over such longer time period as shall be consented to in writing by the Bondholder Representative (or, if there is no Bondholder Representative, the Majority Holders), an amount equal to one sixth (1/6th) of such deficiency in the accounts of the Debt Service Reserve Fund; and

(vii) to the extent funds are available therefor in the Revenue Fund, each payment into the Repair and Replacement Fund required by Section 8.28 on the date required to be paid as set forth in Section 8.28.

The Issuer hereby acknowledges that the above payments may be made by the application by the Trustee of amounts in the Revenue Fund pursuant to Section 5.16 of the Indenture, and the Institution shall receive credit hereunder for any such transfers made by the Trustee.

(b) In the event the Institution should fail to make or cause to be made any of the payments required under the foregoing provisions of this Section, the item or installment not so paid shall continue as an obligation of the Institution until the amount not so paid shall have been fully paid.

(c) The Institution has the option to make advance loan payments for deposit in the Bond Fund to effect the retirement, defeasance or redemption of the Bonds in whole or in part, all in accordance with the terms of the Indenture; provided, however, that no partial redemption of the Bonds may be effected through advance loan payments hereunder if there shall exist and be continuing an Event of Default. The Institution shall exercise its option to make such advance loan payments by delivering a written notice of an Authorized Representative of the Institution to the Trustee in accordance with the Indenture, with a copy to the Issuer, setting forth (u) the amount of the advance loan payment, (v) the principal amount of Bonds Outstanding requested to be redeemed with such advance loan payment (which principal amount shall be in such minimum amount or integral Authorized Denomination as shall be permitted in the Indenture), and (w) the date on which such principal amount of Bonds are to be redeemed (which date shall be not earlier than forty-five (45) days after the date of such notice). In the event the Institution shall exercise its option to make advance loan payments to effect the redemption in whole of the Bonds, and such redemption is expressly permitted under the Indenture as a result of the damage, destruction or condemnation of the Facility, or changes in law, or executive or judicial action, the Institution shall further deliver to the Issuer and the Trustee a certificate of an Authorized Representative of the Institution stating that, as a result of the occurrence of the event giving rise to such redemption, the Institution has discontinued, or at the earliest practicable date will discontinue, its operation of the Facility for its intended purposes. Such advance loan payment shall be paid to the Trustee in legal tender, for deposit in the applicable subaccount or subaccounts of the Redemption Account of the Bond Fund on or before the redemption date and shall be an amount which, when added to the amounts on deposit in the Bond Fund and available therefor, will be sufficient to pay the Redemption Price of the Bonds to be redeemed, together with interest to accrue to the date of redemption and all expenses of the Issuer, the Trustee, the Bond Registrar and the Paying Agents in connection with such redemption. In the event the Bonds are to be redeemed in whole or otherwise retired, the Institution shall further pay on or before such redemption date, in legal tender, to the Issuer, the Trustee, the Bond Registrar and the Paying Agent all fees and expenses owed such party or any other party entitled thereto under this Agreement or the Indenture together with (x) all other amounts due and payable under this Agreement and the other Security Documents, and (y) any amounts required to be rebated to the Federal government pursuant to the Indenture or the Tax Regulatory Agreement.

(d) At its option, to be exercised on or before the forty-fifth (45th) day next preceding the date any Bonds of a Series are to be redeemed from mandatory Sinking Fund

Installments, the Institution may deliver to the Trustee Bonds of such Series which are subject to mandatory Sinking Fund Installment redemption in an aggregate principal amount not in excess of the principal amount of Bonds of such Series to be so redeemed on such date. Each such Bond so delivered shall be credited by the Trustee at one hundred percent (100%) of the principal amount thereof against the obligation of the Issuer on such Sinking Fund Installment payment date and any excess over such Sinking Fund Installment shall be credited on future Sinking Fund Installments in direct chronological order, and the principal amount of Bonds to be redeemed by operation of the mandatory Sinking Fund Installments shall be accordingly reduced.

(e) In the event Defaulted Interest (as defined in Section 2.02(f) of the Indenture) shall become due on any Initial Bond, the Institution shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on such Initial Bond and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with Section 2.02(f) of the Indenture), and shall deposit with the Trustee at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment.

(f) No further loan payments need be made to the Issuer on account of the Bonds when and so long as the amount of cash and/or Defeasance Obligations on deposit in the Bond Fund is sufficient to satisfy and discharge the obligations of the Issuer under the Indenture and pay the Bonds as provided in Article XI of the Indenture.

(g) Any amounts remaining in the Revenue Fund, the Earnings Fund, the Rebate Fund, the Bond Fund, the Debt Service Reserve Fund, the Project Fund, the Repair and Replacement Fund or the Renewal Fund after payment in full of (w) the Bonds (in accordance with Article XI of the Indenture), (x) the fees, charges and expenses of the Issuer, the Trustee, the Bond Registrar and the Paying Agents in accordance with the Indenture, (y) all amounts required to be rebated to the Federal government pursuant to the Tax Regulatory Agreement or the Indenture, and (z) all amounts required to be paid under any Project Document, shall have been so paid, shall belong to and be paid to the Institution by the Trustee as overpayment of the loan payments.

(h) In the event that the Institution fails to make any loan payment required in this Section 4.3, the installment so in default shall continue as an obligation of the Institution until the amount in default shall have been fully paid.

(i) Notwithstanding anything in the foregoing to the contrary, if the amount on deposit and available in the Bond Fund is not sufficient to pay the principal of, Sinking Fund Installments for, redemption premium, if any, and interest on the Bonds when due (whether at maturity or by redemption or acceleration or otherwise as provided in the Indenture), the Institution shall forthwith pay the amount of such deficiency in immediately available funds to the Trustee for deposit in the Bond Fund.

Section 4.4 Loan Payments and Other Payments Payable Absolutely Net. The obligation of the Institution to pay the loan payments and other payments under this Agreement and under the Promissory Note shall be absolutely net to the Issuer and to the Trustee without any

abatement, recoupment, diminution, reduction, deduction, counterclaim, set-off or offset whatsoever, so that this Agreement and the Promissory Note shall yield, net, to the Issuer and to the Trustee, the loan payments and other payments provided for herein, and all costs, expenses and charges of any kind and nature relating to the Facility, arising or becoming due and payable under this Agreement, shall be paid by the Institution and the Indemnified Parties shall be indemnified by the Institution for, and the Institution shall hold the Indemnified Parties harmless from, any such costs, expenses and charges.

Section 4.5 Nature of Institution's Obligation Unconditional. The Institution's obligation under this Agreement and under the Promissory Note to pay the loan payments and all other payments provided for in this Agreement and in the Promissory Note shall be absolute, unconditional and a general obligation of the Institution, irrespective of any defense or any rights of set-off, recoupment or counterclaim or deduction and without any rights of suspension, deferment, diminution or reduction it might otherwise have against the Issuer, the Trustee or the Holder of any Bond and the obligation of the Institution shall arise whether or not the Project has been completed as provided in this Agreement and whether or not any provider of a credit facility or liquidity facility with respect to the Bonds shall be honoring its obligations thereunder. The Institution will not suspend or discontinue any such payment or terminate this Agreement (other than such termination as is provided for hereunder), or suspend the performance or observance of any covenant or agreement required on the part of the Institution hereunder, for any cause whatsoever, and the Institution waives all rights now or hereafter conferred by statute or otherwise to quit, terminate, cancel or surrender this Agreement or any obligation of the Institution under this Agreement except as provided in this Agreement or to any abatement, suspension, deferment, diminution or reduction in the loan payments or other payments hereunder or under the Promissory Note.

Section 4.6 Advances by the Issuer, the Trustee or the Bondholder Representative. In the event the Institution fails to make any payment or to perform or to observe any obligation required of it under this Agreement, under the Promissory Note or under any other Security Document, the Issuer, the Trustee or the Bondholder Representative, after first notifying the Institution in writing of any such failure on its part (except that no prior notification of the Institution shall be required in the event of an emergency condition that, in the reasonable judgment of the Issuer, the Trustee or the Bondholder Representative, necessitates immediate action), may (but shall not be obligated to), and without waiver of any of the rights of the Issuer, the Trustee or the Bondholder Representative under this Agreement or any other Security Document to which the Issuer, the Trustee or the Bondholder Representative is a party, make such payment or otherwise cure any failure by the Institution to perform and to observe its other obligations hereunder or thereunder. All amounts so advanced therefor by the Issuer, the Trustee or the Bondholder Representative shall become an additional obligation of the Institution to the Issuer or the Trustee, as the case may be, which amounts, together with interest thereon at the rate of twelve percent (12%) per annum, compounded daily, from the date advanced, the Institution will pay upon demand therefor by the Issuer, the Trustee or the Bondholder Representative, as applicable. Any remedy vested in the Issuer or the Trustee herein or in any other Security Document for the collection of the loan payments or other payments or other amounts due hereunder, under the Promissory Note or under any other Security Document shall also be available to the Issuer or the Trustee for the collection of all such amounts so advanced. No advance shall be made by the Trustee except as specified in the Indenture.

ARTICLE V

RECAPTURE OF BENEFITS

Section 5.1 **Recapture of Benefits.** It is understood and agreed by the parties to this Agreement that the Issuer is entering into this Agreement in order to provide financial assistance to the Institution for the Project and to accomplish its corporate public purposes. In consideration therefor, the Institution hereby agrees as follows:

(a) The following capitalized terms shall have the respective meanings specified below:

Benefits shall mean the exemption from any applicable mortgage recording taxes, and filing and recording fees.

Operations Commencement Date shall mean the date by which the Issuer shall have received a signed certificate of an Authorized Representative of the Institution certifying that the Project Completion Date has occurred and that the Facility is in fact being occupied, used and operated for the Approved Project Operations.

Recapture Event shall mean any one of the following events:

(i) The Institution shall have failed to cause the Project Completion Date to occur by the Completion Deadline.

(ii) Except as permitted by written consent of the Issuer pursuant to and in accordance with Section 8.20, the Institution shall have liquidated all or substantially all of its operating assets or shall have ceased all or substantially all of its operations.

(iii) The School shall have transferred all or substantially all of its employees to a location outside of the City.

(iv) The Facility has ceased to be the Approved Facility and/or the School shall have substantially changed the scope and nature of its operations at the Facility Realty.

(v) Except as permitted by written consent of the Issuer pursuant to and in accordance with Section 8.20, the Institution shall have sold, leased or otherwise disposed of all or substantially all of the Facility Realty.

(vi) The Institution shall have leased all or part of the Facility Realty in violation of Section 8.9.

(vii) The School shall have relocated all or substantially all of its operations at the Facility Realty to another site; provided, however, and notwithstanding the foregoing, such relocation shall not be a Recapture Event if (A) the School has relocated its operations at the Facility Realty and at least 90% of its employees employed at the Facility Realty prior to the relocation, to another site within the City, (B) the School

maintains, for the remaining balance of the Recapture Period, an employment level equal to at least 90% of the number of employees employed by the School at the Facility Realty prior to relocation, and (C) the School shall satisfy such other additional conditions as the Issuer may from time to time impose provided such additional conditions are reasonable and uniformly imposed, at the time, to other similar transactions under similar circumstances. There shall arise another Recapture Event upon the failure of the School to satisfy continuously the foregoing requirements for the remaining balance of the Recapture Period. Upon the occurrence of such subsequent Recapture Event, the Issuer shall have the right to demand payment of all amounts due under Section 5.1(b) or (c), and the calculation of interest pursuant to Section 5.1(c)(iii) shall assume that the subsequent Recapture Event replaces the original Recapture Event for purposes of that computation. The determination of the pre-relocation, 90%-employment level shall be done in a manner, and in respect of a date or period of time, that the Issuer deems appropriate in its sole discretion.

Notwithstanding the foregoing, a Recapture Event shall not be deemed to have occurred if the Recapture Event:

(1) shall have arisen as a direct, immediate result of (x) force majeure as defined in Section 12.1, (y) a taking or condemnation by governmental authority of all or substantially all of the Facility Realty, or (z) the inability at law of the Institution to rebuild, repair, restore or replace the Facility Realty after the occurrence of a Loss Event to substantially its condition prior to such Loss Event, which inability shall have arisen in good faith through no fault on the part of the Institution or any Affiliate, or

(2) is deemed, in the sole discretion of the Issuer, to be (x) as necessitated by law, (y) minor in nature, or (z) a cause of undue hardship to the Institution were the Issuer to recapture any Benefits.

Recapture Period shall mean the period of time commencing on the Closing Date, and expiring on the date which is the tenth anniversary of the Operations Commencement Date.

(b) If there shall occur a Recapture Event during the Recapture Period, but such Recapture Event is prior to the Operations Commencement Date, the Institution shall pay to the Issuer as a return of financial assistance conferred by the Issuer, the following amounts upon demand by the Issuer: (i) all Benefits; and (ii) interest described in Section 5.1(c)(iii).

(c) If there shall occur a Recapture Event during the Recapture Period, but such Recapture Event occurs after the Operations Commencement Date, the Institution shall pay to the Issuer as a return of financial assistance conferred by the Issuer, the following amounts (as applicable) upon demand by the Issuer:

(i) If the Recapture Event occurs within the first six (6) years after the Operations Commencement Date, one hundred percent (100%) of the Benefits.

(ii) If the Recapture Event occurs within any month during any one of the seventh, eighth, ninth or tenth years after the Operations Commencement Date,

X percent of the Benefits (where "X" is a percent equal to 100% less Y, and where "Y" equals the product of 1.666% and the number of months elapsed commencing with the first month of the seventh year through and including the month in which the Recapture Event occurs).

(iii) The principal of the Benefits to be recaptured, whether pursuant to clause (i) or (ii) above, shall bear interest at a rate equal to the lesser of (x) the maximum amount of interest permitted by law, and (y) the statutory judgment rate, compounded daily, commencing from the date that any amount of Benefit principal has accrued to the Institution, through and including the date such principal is repaid in full; such that Benefit principal comprising the dollar amount of the exemption from mortgage recording taxes, and filing and recording fees, shall be deemed to have accrued to the Institution on the Closing Date. The "statutory judgment rate" shall be the statutory judgment rate in effect on the date of the Issuer's demand.

For purposes of this Section 5.3, demand for payment by the Issuer shall be made in accordance with the notice requirements of this Agreement and the due date for payment shall be not less than seven (7) Business Days from the date of the notice.

(d) The Institution shall furnish the Issuer with written notification of any Recapture Event within ten (10) days of its occurrence and shall subsequently provide to the Issuer in writing any additional information that the Issuer may request.

(e) The provisions of this Section 5.1 shall survive the termination of this Agreement for any reason whatsoever, notwithstanding any provision of this Agreement to the contrary.

ARTICLE VI

DAMAGE, DESTRUCTION AND CONDEMNATION

Section 6.1 **Damage, Destruction and Condemnation.** In the event that the whole or part of the Facility shall be damaged or destroyed, or taken or condemned by a competent authority for any public use or purpose, or by agreement to which the Institution and those authorized to exercise such right are parties, or if the temporary use of the Facility shall be so taken by condemnation or agreement (a "**Loss Event**"):

(i) the Issuer shall have no obligation to rebuild, replace, repair or restore the Facility or to advance funds therefor,

(ii) there shall be no abatement, postponement or reduction in the loan payments or other amounts payable by the Institution under this Agreement or the Promissory Note or any other Security Document to which it is a party, and the Institution hereby waives, to the extent permitted by law, any provisions of law which would permit the Institution to terminate this Agreement, the Promissory Note or any other Security Document, or eliminate or reduce its payments hereunder, under the Promissory Note or under any other Security Document, and

(iii) the Institution will promptly give written notice of such Loss Event to the Issuer, the Trustee and the Bondholder Representative, generally describing the nature and extent thereof.

Section 6.2 Loss Proceeds.

(a) The Issuer, the Trustee and the Institution shall cooperate and consult with each other in all matters pertaining to the settlement, compromise, arbitration or adjustment of any claim or demand on account of any Loss Event, and the settlement, compromise, arbitration or adjustment of any such claim or demand shall, as between the Issuer and the Institution, be subject to the written approval of the Institution and the Trustee (such approvals not to be unreasonably withheld).

(b) The Net Proceeds with respect to the Facility shall be paid to the Trustee and deposited in the Renewal Fund (except as provided in Section 3.11(d) of the Mortgage in respect of property insurance proceeds that are less than a threshold amount). Pending the disbursement or transfer thereof, the Net Proceeds in the Renewal Fund shall be applied, and may be invested, as provided in the Indenture. The Institution shall be entitled to the Net Proceeds of any insurance proceeds or condemnation award, compensation or damages attributable to the Institution's Property.

Section 6.3 Election to Rebuild or Terminate.

(a) In the event a Loss Event shall occur, the Institution shall either:

(i) at its own cost and expense (except to the extent paid from the Net Proceeds), within one (1) year of the Loss Event, promptly and diligently rebuild, replace, repair or restore the Facility to substantially its condition immediately prior to the Loss Event, or to a condition of at least equivalent value, operating efficiency and function, regardless of whether or not the Net Proceeds derived from the Loss Event shall be sufficient to pay the cost thereof, and the Institution shall not by reason of payment of any such excess costs be entitled to any reimbursement from the Issuer, the Trustee or any Bondholder, nor shall the loan payments or other amounts payable by the Institution under this Agreement or the Promissory Note or any other Security Document be abated, postponed or reduced, or

(ii) if, to the extent and upon the conditions permitted to do so under Sections 10.1 and 10.2 and under the Indenture, exercise its option to terminate this Agreement and cause the Bonds to be redeemed in whole;

provided that if all or substantially all of the Facility shall be taken or condemned, or if the taking or condemnation renders the Facility unsuitable for use by the Institution as contemplated hereby, the Institution shall exercise its option to terminate this Agreement pursuant to Sections 10.1 and 10.2.

Not later than sixty (60) days (which period may be extended for an additional thirty (30) days upon written request of the Institution to the Trustee) after the occurrence of a Loss Event, the Institution shall advise the Issuer, the Trustee and the Bondholder Representative in writing of the

action to be taken by the Institution under this Section 6.3(a), a failure to so timely notify being deemed an election in favor of Section 6.3(a)(ii) to be exercised in accordance with the provisions of Section 6.3(a)(ii).

(b) If the Institution shall elect to or shall otherwise be required to rebuild, replace, repair or restore the Facility as set forth in Section 6.3(a)(i), the Trustee shall disburse the Net Proceeds from the Renewal Fund in the manner set forth in Section 5.03 of the Indenture to pay or reimburse the Institution, at the election of the Institution, either as such work progresses or upon the completion thereof, provided, however, the amounts so disbursed by the Trustee to the Institution shall not exceed the actual cost of such work. If the Institution shall exercise its option in Section 6.3(a)(ii), the amount of the Net Proceeds so recovered shall be transferred from the Renewal Fund and deposited, on a pro rata basis, in the subaccounts of the Redemption Account of the Bond Fund, and the Institution shall thereupon pay to the Trustee for deposit in the subaccounts of the Redemption Account of the Bond Fund an amount which, when added to any amounts then in the Bond Fund and available for that purpose, shall be sufficient to retire and redeem the Bonds in whole at the earliest possible date (including, without limitation, principal and interest to the maturity or redemption date and redemption premium, if any), and shall pay the expenses of redemption, the fees and expenses of the Issuer, the Trustee, the Bondholder Representative, the Bond Registrar and the Paying Agents, together with all other amounts due under the Indenture, under this Agreement and under each other Security Document, as well as any amounts required to be rebated to the Federal government pursuant to the Indenture or the Tax Regulatory Agreement and such amount so deposited shall be applied, together with such other available amounts in the Bond Fund, if applicable, to such redemption or retirement of the Bonds on said redemption or Maturity Date.

Section 6.4 Effect of Election to Build.

(a) All rebuilding, replacements, repairs or restorations of the Facility in respect of or occasioned by a Loss Event shall:

(i) automatically be deemed a part of the Facility under this Agreement and, with respect to Mortgaged Property, shall be subject to the lien and security interest of the Mortgage,

(ii) be commenced as soon as reasonably possible (but in any event no later than sixty (60) days (which period may be extended for an additional thirty (30) days upon written request of the Institution to the Trustee) after such Loss Event and be effected only if the Institution shall deliver to the Issuer and the Trustee a certificate from an Authorized Representative of the Institution acceptable to the Issuer and the Trustee to the effect that such rebuilding, replacement, repair or restoration shall not change the nature of the Facility as the Approved Facility,

(iii) be effected with due diligence in a good and workmanlike manner, in compliance with all applicable Legal Requirements and be promptly and fully paid for by the Institution in accordance with the terms of the applicable contract(s) therefor,

(iv) restore the Facility to substantially its condition immediately prior to the Loss Event, or to a condition of at least equivalent value, operating efficiency and function, and to a state and condition that will permit the Institution to use and operate the Facility as the Approved Facility,

(v) be effected only if the Institution shall have complied with Section 8.1(c),

(vi) be preceded by the furnishing by the Institution to the Trustee of a labor and materials payment bond, or other security, satisfactory to the Trustee, and

(vi) if the estimated cost of such rebuilding, replacement, repair or restoration is in excess of $250,000, be effected under the supervision of an Independent Engineer.

(b) The date of completion of the rebuilding, replacement, repair or restoration of the Facility shall be evidenced to the Issuer and the Trustee by a certificate of an Authorized Representative of the Institution stating (i) the date of such completion, (ii) that all labor, services, machinery, equipment, materials and supplies used therefor and all costs and expenses in connection therewith have been paid for or arrangement for payment, reasonably satisfactory to the Trustee, has been made, (iii) that the Facility has been rebuilt, replaced, repaired or restored to substantially its condition immediately prior to the Loss Event, or to a condition of at least equivalent value, operating efficiency and function, (iv) that all property constituting part of the Facility is under this Agreement and, if applicable, subject to the mortgage lien and security interest of the Mortgage, subject to Permitted Encumbrances, (v) the Rebate Amount applicable with respect to the Net Proceeds and the earnings thereon (with a statement as to the determination of the Rebate Amount and a direction to the Trustee of any required transfer to the Rebate Fund), and (vi) that the restored Facility is ready for occupancy, use and operation for its intended purposes. Notwithstanding the foregoing, such certificate shall state (x) that it is given without prejudice to any rights of the Institution against third parties which exist at the date of such certificate or which may subsequently come into being, (y) that it is given only for the purposes of this Section and Section 5.03 of the Indenture and (z) that no Person other than the Issuer or the Trustee may benefit therefrom.

(c) The certificate delivered pursuant to Section 6.4(b) shall be accompanied by (i) a certificate of occupancy (either temporary or permanent, provided that if it is a temporary certificate of occupancy, the Institution will proceed with due diligence to obtain a permanent certificate of occupancy), if required, and any and all permissions, licenses or consents required of governmental authorities for the occupancy, operation and use of the Facility for the purposes contemplated by this Agreement; (ii) a certificate of an Authorized Representative of the Institution that all costs of rebuilding, repair, restoration and reconstruction of the Facility have been paid in full, together with releases of mechanics' liens by all contractors and materialmen who supplied work, labor, services, materials or supplies in connection with the rebuilding, repair, restoration and reconstruction of the Facility (or, to the extent that any such costs shall be the subject of a bona fide dispute, evidence to the Trustee that such costs have been appropriately bonded or that the Institution shall have posted a surety or security at least equal to the amount of such costs); and (iii) a search prepared by a title company, or other evidence satisfactory to the

Trustee, indicating that there has not been filed with respect to the Facility any mechanic's, materialmen's or any other lien in connection with the rebuilding, replacement, repair and restoration of the Facility and that there exist no encumbrances other than Permitted Encumbrances and those encumbrances consented to by the Issuer and the Trustee.

ARTICLE VII

COVENANTS OF THE ISSUER

Section 7.1 Assignment of Promissory Note and Assignment of Mortgage. On the Closing Date, the Issuer will endorse and assign the Promissory Note to the Trustee, and execute and deliver to the Trustee the Assignment of Mortgage.

Section 7.2 Issuance of Initial Bonds. On the Closing Date, subject to the satisfaction of the conditions to the issuance of the Initial Bonds, the Issuer will sell and deliver the Initial Bonds in the Authorized Principal Amount under and pursuant to the Bond Resolution and under and pursuant to the Indenture. The proceeds of sale of the Initial Bonds shall be deposited and applied in accordance with the provisions of the Indenture.

Section 7.3 Issuance of Additional Bonds. Under the provisions of and subject to the conditions set forth in the Indenture, the Issuer is authorized to enter into a Supplemental Indenture and issue one or more series of Additional Bonds on a parity with the Initial Bonds for the purpose of (w) completing the Project, (x) providing funds in excess of the Net Proceeds of insurance or eminent domain to repair, relocate, replace, rebuild or restore the Facility in the event of damage, destruction or taking by eminent domain, (y) providing extensions, additions or improvements to the Facility, or (z) refunding Outstanding Bonds. If the Institution is not in default hereunder or under any other Project Document, the Issuer will consider the issuance of a Series of Additional Bonds in a principal amount as is specified in a written request in accordance with the applicable provisions set forth in the Indenture.

Section 7.4 Pledge and Assignment to Trustee. As security for the payment of the Bonds and the obligations of the Institution under the Security Documents:

(a) the Institution shall, pursuant to the Mortgage, grant to the Issuer and the Trustee, for the benefit of the Bondholders, a mortgage lien on and security interest in its fee interests in the Mortgaged Property;

(b) the Issuer shall assign its right, title and interest in the Mortgage to the Trustee pursuant to the Assignment of Mortgage; and

(c) the Issuer shall pledge and assign to the Trustee, for the benefit of the Bondholders, pursuant to the Indenture all of the Issuer's right, title and interest in the Promissory Note and all of the Issuer's right, title and interest in this Agreement (except for the Issuer's Reserved Rights), including all loan payments hereunder and under the Promissory Note, and in furtherance of such pledge, the Issuer will unconditionally assign such loan payments to the Trustee for deposit in the Bond Fund in accordance with the Indenture.

ARTICLE VIII

COVENANTS OF THE INSTITUTION

Section 8.1 Insurance.

(a) Definitions. The following capitalized terms shall have the respective meanings specified below:

Certificate means an ACORD certificate evidencing insurance.

CGL means commercial general liability insurance.

CM means a construction manager providing construction management services in connection with any Construction.

Construction means any construction, reconstruction, restoration, renovation, alteration and/or repair on, in, at or about the Facility Realty, including the Project Work or any other construction, reconstruction, restoration, alteration and/or repair required under this Agreement in connection with the Facility.

Contractor(s) means, individually or collectively, a contractor or subcontractor providing materials and/or labor and/or other services in connection with any Construction, but not including a GC, CM or any architect or engineer providing professional services.

GC means any general contractor providing general contracting services in connection with any Construction.

Insured means the Institution.

Insurer means any entity writing or issuing a Policy.

ISO means the Insurance Services Office or its successor.

ISO Form CG-0001 means the CGL form published by ISO at the Closing Date.

Policy(ies) means, collectively or individually, the policies required to be obtained and maintained pursuant to Section 8.1(b) and (c).

SIR means self-insured retention.

U/E means Umbrella or Excess Liability insurance.

Workers' Compensation means Workers' Compensation, disability and employer liability insurance.

(b) Required Insurance. Except during periods of Construction, the Insured shall obtain and maintain for itself as a primary insured the following insurance:

(i) CGL with $1,000,000 minimum per occurrence; $2,000,000 minimum in the aggregate; and per-location aggregate. This Policy shall contain coverage for contractual liability, premises operations, and products and completed operations.

(ii) U/E with $4,000,000 minimum per occurrence on terms consistent with CGL. The excess coverage provided under U/E shall be incremental to the CGL to achieve minimum required coverage of $5,000,000 per occurrence; such incremental coverage must also apply to auto liability (see Section 8.1(b)(iii)), whether auto liability coverage is provided by endorsement to the Insured's CGL or by a stand-alone policy.

(iii) Auto liability insurance with $1,000,000 combined single limit and $1,000,000 for uninsured or under-insured vehicles. If the Insured owns any vehicles, it shall obtain auto liability insurance in the foregoing amounts for hired and non-owned vehicles. Coverage should be at least as broad as ISO Form CA0001, ed. 10/01.

(iv) Workers Compensation satisfying State statutory limits. Coverage for employer liability shall be in respect of any work or operations in, on or about the Facility Realty.

(v) Property insurance in the amount required under the Mortgage.

(c) Required Insurance During Periods of Construction. In connection with any Construction and throughout any period of such Construction, the Institution shall cause the following insurance requirements to be satisfied:

(i) The Insured shall obtain and maintain for itself Policies in accordance with all requirements set forth in Section 8.1(b).

(ii) Any GC or CM shall obtain and maintain for itself as a primary insured the following Policies:

(1) CGL and U/E in accordance with the requirements in Section 8.1(b), subject to the following modifications: (x) coverage shall be in an aggregate minimum amount of $10,000,000 per project aggregate, and (y) completed operations coverage shall extend (or be extended) for an additional five (5) years after completion of the Construction (which will be deemed to be the Project Completion Date unless the Institution shall have provided written notice and satisfactory evidence to the Issuer that the Construction was completed as of a specified earlier date);

(2) Auto liability insurance in accordance with the requirements in Section 8.1(b); and

(3) Workers' Compensation in accordance with the requirements in Section 8.1(b).

(iii) Notwithstanding preceding subsections "i" and "ii," during Construction aggregate minimum coverage in the amount of $15,000,000 (combined CGL

and U/E required by Sections 8.1(b) and 8.1(c)) may be achieved by any combination of coverage amounts between the Insureds on the one hand and the GC or CM on the other.

(iv) Each Contractor shall obtain and maintain for itself as a primary insured the following insurance:

(1) CGL and U/E in accordance with the requirements in Section 8.1(b) except that, in addition, completed operations coverage shall extend (or be extended) for an additional five (5) years after completion of the Construction (which will be deemed to be the Project Completion Date unless the Institution shall have provided written notice and satisfactory evidence to the Issuer that the Construction was completed as of a specified earlier date);

(2) Auto Liability insurance in accordance with the requirements in Section 8.1(b); and

(3) Workers' Compensation in accordance with the requirements in Section 8.1(b).

(d) Required Policy Attributes. Except as the Issuer and the Trustee shall expressly otherwise agree in writing in their sole and absolute discretion:

(i) The Institution shall cause each Policy (other than Worker's Compensation and auto liability insurance) to name the Issuer and the Trustee as additional insureds on a primary and non-contributory basis as more particularly required in Section 8.1(f)(i). In addition, each Contractor must protect the Issuer and the Trustee as additional insureds on a primary and non-contributory basis via ISO endorsements CG 20 26 and CG 20 27 or their equivalents and the endorsements must specifically identify the Issuer and the Trustee as additional insureds.

(ii) No Policy shall have a deductible.

(iii) CGL shall not be subject to SIR.

(iv) CGL shall be written on either ISO Form CG-0001 or on such other form that the Institution may request provided that any requested substitute shall provide an additional insured with substantially equivalent coverage to that enjoyed by an additional insured in a policy written on ISO Form CG-0001 and provided further that the substitute is reasonably approved by the Issuer. If the Insured intends to renew its CGL on a form that is not ISO Form CG-0001, it shall provide the Issuer and the Trustee with a copy of the substitute form at least sixty (60) days prior to the intended date on which the renewal Policy is to be effective.

(v) The Institution acknowledges that the Issuer and the Trustee are materially relying upon the content of ISO Form CG-0001 to implement the Issuer's insurance requirements under this Section 8.1; accordingly, the Institution agrees that non-standard exclusions and other modifications to ISO Form CG-0001 are prohibited under the terms and conditions of this Section 8.1. In the event that ISO either ceases to exist or

discontinues ISO Form CG-0001, the Issuer or the Trustee shall have the right to require, for all purposes hereunder, a different CGL form, provided that the replacement is substantially similar to ISO Form CG-0001.

(vi) Without limiting Section 8.1(d)(v) or the application of any other requirement under this Section 8.1, no Policy delivered hereunder shall limit (whether by exception, exclusion, endorsement, script or other modification) any of the following coverage attributes:

(1) contractual liability coverage insuring the contractual obligations of the Insureds;

(2) employer's liability coverage;

(3) coverage for claims arising under New York Labor Law;

(4) the right of the Insured to name additional insureds including the Issuer and the Trustee;

(5) the applicability of CGL coverage to the Issuer and the Trustee as additional insureds in respect of liability arising out of any of the following claims: (x) claims against the Issuer and/or the Trustee by employees of an Insured, or (y) claims against the Issuer and/or the Trustee by any GC, CM, Contractor, architect or engineer or by the employees of any of the foregoing, or (z) claims against the Issuer and/or the Trustee arising out of any work performed by a GC, CM, Contractor, architect or engineer.

(vii) U/E shall follow the form of CGL except that U/E may be broader.

(viii) Each Policy shall provide primary insurance and the issuing Insurer shall not have a right of contribution from any other insurance policy insuring the Issuer and/or the Trustee.

(ix) In each Policy, the Insurer shall waive, as against any Person insured under such Policy including any additional insured, the following: (x) any right of subrogation, (y) any right to set-off or counterclaim against liability incurred by a primary insured or any additional insured, and (z) any other deduction, whether by attachment or otherwise, in respect of any liability incurred by any primary insured or additional insured.

(x) Policies shall not be cancellable without at least thirty (30) days' prior written notice to the Issuer and the Trustee as additional insureds.

(xi) Each Policy under which the Issuer and the Trustee is an additional insured shall provide that the Issuer and the Trustee will not be liable for any insurance premium, commission or assessment under or in connection with any Policy.

(e) Required Insurer Attributes. All Policies must be issued by Insurers satisfying the following requirements:

(i) Insurers shall have a minimum AM Best rating of A minus.

(ii) Each Insurer must be an authorized insurer in accordance with Section 107(a) of the New York State Insurance Law.

(iii) Insurers must be admitted in the State; provided, however, that if an Insured requests the Issuer to accept a non-admitted Insurer, and if the Issuer reasonably determines that for the kind of operations performed by the Insured an admitted Insurer is commercially unavailable to issue a Policy or is non-existent, then the Issuer shall provide its written consent to a non-admitted Insurer. For purposes of this paragraph, an "admitted" Insurer means that the Insurer's rates and forms have been approved by the State Department of Financial Services and that the Insurer's obligations are entitled to be insured by the State's insurance guaranty fund.

(f) Required Evidence of Compliance. The Institution shall deliver or cause to be delivered evidence of all Policies required hereunder as set forth in this Section 8.1(f):

(i) All Policies. With respect to all Policies on which an Insured is to be a primary insured, the Insured shall deliver to the Issuer and the Trustee a Certificate or Certificates evidencing all Policies required by this Section 8.1 (w) at the Closing Date, (x) prior to the expiration or sooner termination of Policies, (y) prior to the commencement of any Construction, and (z) upon request by the Issuer or the Trustee. If the Certificate in question evidences CGL, such Certificate shall name the Issuer and the Trustee as additional insureds in the following manner:

Build NYC Resource Corporation and The Bank of New York Mellon, as Trustee, are each additional insureds on a primary and non-contributory basis. The referenced CGL is written on ISO Form CG-0001 without modification to the contractual liability, employer's liability or waiver-of-subrogation provisions thereof, and contains no endorsement limiting or excluding coverage for claims arising under New York Labor Law, covering the following premises: 166 Kings Highway, Brooklyn, New York 11223;

(ii) CGL. With respect to CGL on which the Insured is to be a primary insured, the Insured shall additionally deliver to the Issuer and the Trustee the following:

(1) Prior to the Closing Date, the Insured shall deliver to the Issuer and the Trustee the declarations page and the schedule of forms and endorsements pertinent thereto.

(2) Upon the expiration or sooner termination of any CGL, the Insured shall deliver to the Issuer and the Trustee a declarations page and a schedule of forms and endorsements pertinent to the new or replacement CGL.

(3) Prior to the commencement of any Construction, the Insured shall deliver to the Issuer and the Trustee a declarations page and a schedule of

forms and endorsements pertinent to the CGL under which the Insured is to be the primary insured during the period of such Construction.

(iii) Insurance to be obtained by GCs and CMs. Prior to the commencement of any Construction that entails the services of a GC or CM, the Institution shall provide to the Issuer and the Trustee, in a form satisfactory to the Issuer and the Trustee, evidence that the GC or CM (as the case may be) has obtained the Policies that it is required to obtain and maintain in accordance with Section 8.1(c).

(iv) Insurance to be obtained by Contractors. In connection with any Construction, the Institution shall, upon the written request of the Issuer or the Trustee, cause any or all Contractors to provide evidence, satisfactory to the Issuer and the Trustee, that such Contractors have obtained and maintain the Policies that they are required to obtain and maintain in accordance with the requirements of Section 8.1(c).

(g) Notice. The Institution shall immediately give the Issuer and the Trustee notice of each occurrence that is reasonably probable to give rise to a claim under the insurance required to be maintained by this Section 8.1.

(h) Miscellaneous.

(i) If, in accordance with the terms and conditions of this Section 8.1, an Insured is required to obtain the consent of the Issuer and/or the Trustee, the Institution shall request such consent in a writing provided to the Issuer and/or the Trustee at least thirty (30) days in advance of the commencement of the effective period (or other event) to which the consent pertains.

(ii) The delivery by an Insured of a Certificate evidencing auto liability insurance for hired and non-owned vehicles shall, unless otherwise stated by the Institution to the contrary, constitute a representation and warranty from the Insured to the Issuer and the Trustee that the Insured does not own vehicles.

(iii) The Insured shall neither do nor omit to do any act, nor shall it suffer any act to be done, whereby any Policy would or might be terminated, suspended or impaired.

(iv) If insurance industry standards applicable to properties similar to the Facility Realty and/or operations similar to the operations of the Institution materially change; and if, as a consequence of such change, the requirements set forth in this Section 8.1 become inadequate in the reasonable judgment of the Issuer or the Trustee for the purpose of protecting the Issuer and the Trustee against third-party claims, then the Issuer or the Trustee shall have the right to supplement and/or otherwise modify such requirements, provided, however, that such supplements or modifications shall be commercially reasonable.

(v) THE ISSUER AND THE TRUSTEE DO NOT REPRESENT THAT THE INSURANCE REQUIRED IN THIS SECTION 8.1, WHETHER AS TO

SCOPE OR COVERAGE OR LIMIT, IS ADEQUATE OR SUFFICIENT TO PROTECT THE INSURED AND ITS OPERATIONS AGAINST CLAIMS AND LIABILITY.

(vi) The Issuer, in its sole discretion and without obtaining the consent of the Trustee or any other party to the transactions contemplated by this Agreement, may make exceptions to the requirements under this Section 8.1 by a written instrument executed by the Issuer. In the event the Institution shall request the Issuer to make any exception to the requirements under this Section 8.1, the Issuer shall not unreasonably withhold its consent. The Institution acknowledges that the Issuer's decision in this respect will be deemed reasonable if made in furtherance of protecting the Issuer from liability.

(i) School Insurance Requirements. The Institution will cause the School to maintain insurance complying with the provisions of this Section 8.1 including, without limitation, that Insurers must be admitted in the State; provided, however, that if the School requests the Issuer to accept a non-admitted Insurer, and if the Issuer reasonably determines that for the kind of operations performed by the School an admitted Insurer is commercially unavailable to issue a Policy or is non existent, then the Issuer shall provide its written consent to a non-admitted Insurer. For purposes of this paragraph, an "admitted" Insurer means that the Insurer's rates and forms have been approved by the State Department of Financial Services and that the Insurer's obligations are entitled to be insured by the State's insurance guaranty fund

Section 8.2 Indemnity.

(a) The Institution shall at all times indemnify, defend, protect and hold the Issuer, the Trustee, the Bondholder Representative the Bond Registrar and the Paying Agents, and any director, member, officer, employee, servant, agent (excluding for this purpose the Institution, which is not obligated hereby to indemnify its own employees, Affiliates or affiliated individuals) thereof and persons under the Issuer's control or supervision (collectively, the "**Indemnified Parties**" and each an "**Indemnified Party**") harmless of, from and against any and all claims (whether in tort, contract or otherwise), taxes (of any kind and by whomsoever imposed), demands, penalties, fines, liabilities, lawsuits, actions, proceedings, settlements, costs and expenses, including attorney and consultant fees, investigation and laboratory fees, court costs, and litigation expenses (collectively, "**Claims**") of any kind for losses, damage, injury and liability (collectively, "**Liability**") of every kind and nature and however caused (except, with respect to any Indemnified Party, Liability arising from the gross negligence or willful misconduct of such Indemnified Party), arising during the period commencing on the Indemnification Commencement Date, and continuing until the termination of this Agreement, arising upon, about, or in any way connected with the Facility, the Project, or any of the transactions with respect thereto, including:

(i) the financing of the costs of the Facility or the Project and the marketing, offering, issuance, sale and remarketing of the Bonds for such purpose,

(ii) the planning, design, acquisition, site preparation, Project Work, construction, renovation, equipping, installation or completion of the Project or any part thereof or the effecting of any work done in or about the Facility, or any defects (whether latent or patent) in the Facility,

(iii) the maintenance, repair, replacement, restoration, rebuilding, construction, renovation, upkeep, use, occupancy, ownership, leasing, subletting or operation of the Facility or any portion thereof,

(iv) the execution and delivery by an Indemnified Party, the Institution or any other Person of, or performance by an Indemnified Party, the Institution or any other Person, as the case may be, of, any of their respective obligations under, this Agreement or any other Project Document, or other document or instrument delivered in connection herewith or therewith or the enforcement of any of the terms or provisions hereof or thereof or the transactions contemplated hereby or thereby,

(v) any damage or injury to the person or property of any Person in or on the premises of the Facility,

(vi) any imposition arising from, burden imposed by, violation of, or failure to comply with any Legal Requirement, including failure to comply with the requirements of the City's zoning resolution and related regulations, or

(vii) the presence, disposal, release, or threatened release of any Hazardous Materials that are on, from, or affecting the Facility; any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials; any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Materials, and/or any violation of Legal Requirements, including demands of government authorities, or any policies or requirements of the Issuer, which are based upon or in any way related to such Hazardous Materials.

(b) The Institution releases each Indemnified Party from, and agrees that no Indemnified Party shall be liable to the Institution or its Affiliates for, any Claim or Liability arising from or incurred as a result of action taken or not taken by such Indemnified Party with respect to any of the matters set forth in Section 8.2(a) including any Claim or Liability arising from or incurred as a result of the negligence or gross negligence of such Indemnified Party, or at the direction of the Institution with respect to any of such matters above referred to.

(c) An Indemnified Party shall promptly notify the Institution in writing of any claim or action brought against such Indemnified Party in which indemnity may be sought against the Institution pursuant to this Section 8.2; such notice shall be given in sufficient time to allow the Institution to defend or participate in such claim or action, but the failure to give such notice in sufficient time shall not constitute a defense hereunder nor in any way impair the obligations of the Institution under this Section 8.2.

(d) Anything to the contrary in this Agreement notwithstanding, the covenants of the Institution contained in this Section 8.2 shall be in addition to any and all other obligations and liabilities that the Institution may have to any Indemnified Party in any other agreement or at common law, and shall remain in full force and effect after the termination of this Agreement until the later of (x) the expiration of the period stated in the applicable statute of limitations during which a claim or cause of action may be brought and (y) payment in full or the satisfaction of such

claim or cause of action and of all expenses and charges incurred by the Indemnified Party relating to the enforcement of the provisions herein specified.

Section 8.3 Compensation and Expenses of the Issuer, the Trustee, the Bond Registrar and the Paying Agents; Administrative and Project Fees.

(a) The Institution shall pay the fees, costs and expenses of the Issuer together with any fees and disbursements incurred by lawyers or other consultants in performing services for the Issuer in connection with this Agreement or any other Project Document, together with all fees and costs incurred in connection with complying with Section 8.12(b) (including fees and disbursements of lawyers and other consultants).

(b) On the Closing Date, the Institution shall pay to the Issuer the Initial Annual Administrative Fee and the Project Fee.

(c) The Institution further agrees to pay the Annual Administrative Fee to the Issuer on each July 1 following the Closing Date until the Termination Date (the Annual Administrative Fee shall not be pro-rated for the final period ending on the Termination Date). In the event the Institution shall fail to pay the Annual Administrative Fee on the date due, the Issuer shall have no obligation to deliver notice of such failure to the Institution.

(d) The Institution shall, to the extent not paid out of the proceeds of the Bonds as financing expenses, pay the following fees, charges and expenses and other amounts:

(i) the initial and annual fees of the Trustee for the ordinary services of the Trustee rendered and its ordinary expenses incurred under the Indenture, including fees and expenses as Bond Registrar and in connection with preparation of new Bonds upon exchanges or transfers or making any investments in accordance with the Indenture and the reasonable fees of its counsel,

(ii) the reasonable fees and charges of the Trustee and any Paying Agents on the Bonds for acting as paying agents as provided in the Indenture, including the reasonable fees of its counsel,

(iii) the reasonable fees, charges, and expenses of the Trustee for extraordinary services rendered by it under the Indenture, including reasonable counsel fees, and

(iv) the reasonable fees, charges, and expenses, including reasonable counsel fees, of the Bondholder Representative incurred by it in enforcing its rights under the Indenture and the other Project Documents, and

(v) the reasonable fees, costs and expenses of the Bond Registrar.

Section 8.4 Current Facility Personalty Description. The Institution covenants and agrees that, until the termination of this Agreement, including upon the completion of the Project or of any replacement, repair, restoration or reconstruction of the Facility pursuant to Article VI, it will cause Exhibit B — "Description of the Facility Personalty", together with the "Description

of the Facility Personalty" attached as part of the appendices to the Indenture, this Agreement and the Mortgage, to be an accurate and complete description of all current items of Facility Personalty. To this end, the Institution covenants and agrees that (x) no requisition shall be submitted to the Trustee for moneys from the Project Fund for the acquisition or installation of any item of Facility Personalty, (y) no item of Facility Personalty shall be substituted or replaced by a new item of machinery, equipment or other tangible personal property except pursuant to Section 3.5(a) or Article VI, and (z) no item of Facility Personalty shall be delivered and installed at the Facility Realty as part of the property comprising the Facility, unless in each case such item of machinery, equipment or other item of tangible personal property shall be accurately and sufficiently described in Exhibit B — "Description of the Facility Personalty", together with the "Description of the Facility Personalty" in the appendices attached as part of the Indenture, this Agreement and the Mortgage, and the Institution shall from time to time prepare and deliver to the Issuer and the Trustee supplements to such Appendices in compliance with the foregoing. Such supplements shall be executed and delivered by the appropriate parties and, at the Trustee's request, duly recorded by the Institution, and, at the Trustee's request, additional financing statements with respect thereto shall be duly filed by the Institution.

Section 8.5 Signage at Facility Site. Upon commencement of the renovation and/or construction of the Improvements at the Facility in connection with the Project (including the commencement of any demolition and/or excavation), the Institution shall erect on the Facility site, at its own cost and expense, within easy view of passing pedestrians and motorists, a large and readable sign with the following information upon it (hereinafter, the "**Sign**"):

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THROUGH THE
BUILD NYC RESOURCE CORPORATION
Mayor Bill de Blasio

In addition, the Sign shall satisfy the following requirements: (x) format and appearance generally shall be stipulated by the Issuer in writing or electronically; (y) the minimum size of the Sign shall be four (4) feet by eight (8) feet; and (z) the Sign shall have no other imprint upon it other than that of the Issuer. The Sign shall remain in place at the Facility until completion of the renovations and/or construction. The Institution may erect other signs in addition to the Sign.

Section 8.6 Environmental Matters.

(a) On or before the Closing Date, the Institution shall provide to the Issuer and the Trustee a letter from the Environmental Auditor addressed to the Issuer and the Trustee, stating that the Issuer and the Trustee may rely upon the Environmental Audit as if it was prepared for the Issuer and the Trustee in the first instance.

(b) The Institution shall not cause or permit the Facility or any part thereof to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Materials, except in compliance with all applicable Legal Requirements, nor shall the Institution cause or permit, as a result of any intentional or unintentional act or omission on the part of the Institution or any occupant or user of the Facility, a release of Hazardous Materials onto the Facility or onto any other property.

(c) The Institution shall comply with, and require and enforce compliance by, all occupants and users of the Facility with all applicable Legal Requirements pertaining to Hazardous Materials, whenever and by whomever triggered, and shall obtain and comply with, and ensure that all occupants and users of the Facility obtain and comply with, any and all approvals, registrations or permits required thereunder.

(d) The Institution shall conduct and complete all investigations, studies, sampling, and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials, on, from, or affecting the Facility in accordance with all applicable Legal Requirements.

(e) In the event the Mortgage is foreclosed, or a deed in lieu of foreclosure is tendered, or this Agreement is terminated as provided in Article IX, the Institution shall deliver the Mortgaged Property so that the conditions of the Mortgaged Property with respect to any and all Hazardous Materials shall conform with all applicable Legal Requirements affecting the Mortgaged Property.

(f) The parties hereto agree that the reference in Section 2.2(m) to the Environmental Audit is not intended, and should not be deemed to intend, to modify, qualify, reduce or diminish the Institution's obligations to carry out and perform all of the covenants stated throughout this Section 8.6 and in Section 8.2.

Section 8.7 Employment Matters.

(a) Except as is otherwise provided by collective bargaining contracts or agreements, new employment opportunities created as a result of the Project shall be listed with the New York State Department of Labor ("**DOL**") Community Services Division, and with the administrative entity of the service delivery area created by the Workforce Investment Act of 1998 (29 U.S.C. §2801) in which the Facility Realty is located. Except as is otherwise provided by collective bargaining contracts or agreements, the Institution agrees, where practicable, to consider first, and cause each of its Affiliates at the Facility to consider first, persons eligible to participate in the Workforce Investment Act of 1998 (29 U.S.C. §2801) programs who shall be referred by administrative entities of service delivery areas created pursuant to such Act or by the Community Services Division of the DOL for such new employment opportunities.

(b) Upon the Issuer's written request, the Institution shall provide to the Issuer any employment information in the possession of the Institution which is pertinent to the Institution and the employees of the Institution to enable the Issuer and/or NYCEDC to comply with its reporting requirements required by City Charter §1301 and any other applicable laws, rules or regulations.

(c) The Institution hereby authorizes any private or governmental entity, including the DOL, to release to the Issuer and/or NYCEDC, and/or to the successors and assigns of either (collectively, the "**Information Recipients**"), any and all employment information under its control and pertinent to the Institution and the employees of the Institution to enable the Issuer and/or NYCEDC to comply with its reporting requirements required by City Charter §1301 and any other applicable laws, rules or regulations. Information released or provided to Information

Recipients by DOL, or by any other governmental entity, or by any private entity, or by the Institution, or any information previously released as provided by all or any of the foregoing parties (collectively, "**Employment Information**") may be disclosed by the Information Recipients in connection with the administration of the programs of the Issuer, and/or NYCEDC, and/or the successors and assigns of either, and/or the City, and/or as may be necessary to comply with law; and, without limiting the foregoing, the Employment Information may be included in (x) reports prepared by the Information Recipients pursuant to City Charter §1301, (y) other reports required of the Issuer, and (z) any other reports required by law. This authorization shall remain in effect until the termination of this Agreement.

(d) Upon the request of the Issuer, the Institution shall cooperate with the Issuer in the development of programs for the employment and/or training of members of minority groups in connection with performing work at the Facility.

(e) Nothing in this Section shall be construed to require the Institution to violate any existing collective bargaining agreement with respect to hiring new employees.

Section 8.8 Non-Discrimination.

(a) At all times during the maintenance and operation of the Facility, the Institution shall not discriminate nor permit any of its Affiliates to discriminate against any employee or applicant for employment because of race, color, creed, age, sex or national origin. The Institution shall use its best efforts to ensure that employees and applicants for employment with any tenant of the Facility are treated without regard to their race, color, creed, age, sex or national origin. As used herein, the term "treated" shall mean and include the following: recruited, whether by advertising or other means; compensated, whether in the form of rates of pay or other forms of compensation; selected for training, including apprenticeship; promoted; upgraded; downgraded; demoted; transferred; laid off; and terminated.

(b) The Institution shall, in all solicitations or advertisements for employees placed by or on behalf of the Institution state that all qualified applicants will be considered for employment without regard to race, color, creed or national origin, age or sex.

(c) The Institution shall furnish to the Issuer all information required by the Issuer pursuant to this Section and will cooperate with the Issuer for the purposes of investigation to ascertain compliance with this Section.

Section 8.9 Assignment of this Agreement or Lease of Facility.

(a) The Institution shall not at any time, except as permitted by Section 8.20, assign or transfer this Agreement without the prior written consents of the Issuer and the Trustee (which consents may be withheld by the Issuer or the Trustee in their absolute discretion); provided further, that the following conditions must be satisfied on or prior to the date the Issuer and the Trustee consent to any such assignment or transfer:

(i) the Institution shall have delivered to the Issuer, the Bondholder Representative and the Trustee a certificate of an Authorized Representative to the effect

that the transfer or assignment to the assignee or transferee (the "**New Institution**") shall not cause the Facility to cease being the Approved Facility;

(ii) the New Institution shall be liable to the Issuer for the payment of all loan and other payments and for the full performance of all of the terms, covenants and conditions of this Agreement and of any other Project Document to which it shall be a party;

(iii) the New Institution shall have assumed in writing (and shall have executed and delivered to the Issuer, the Bondholder Representative and the Trustee such document and have agreed to keep and perform) all of the terms of this Agreement and each other Project Document on the part of the New Institution to be kept and performed, shall be subject to service of process in the State, and, if a corporation, shall be qualified to do business in the State;

(iv) the New Institution shall be a not-for-profit corporation or a limited liability company constituting a Tax-Exempt Organization;

(v) such assignment or transfer shall not violate any provision of this Agreement or any other Project Document;

(vi) an Opinion of Counsel shall have been delivered and addressed to the Issuer and the Trustee, to the effect that, (x) such assignment or transfer shall constitute the legally valid, binding and enforceable obligation of the New Institution and shall not legally impair in any respect the obligations of the New Institution for the payment of all loan payments nor for the full performance of all of the terms, covenants and conditions of this Agreement, of the Promissory Note or of any other Project Document to which the New Institution shall be a party, nor impair or limit in any respect the obligations of any other obligor under any other Project Document, and (y) this Agreement and each of the other Project Documents to which the New Institution is a party constitute the legally valid, binding and enforceable obligation of the New Institution;

(vii) the New Institution shall have delivered to the Issuer the Required Disclosure Statement in form and substance satisfactory to the Issuer;

(viii) each such assignment shall contain such other provisions as the Issuer or the Trustee may reasonably require; and

(ix) an opinion of Nationally Recognized Bond Counsel shall have been delivered and addressed to the Issuer and the Trustee, to the effect that such assignment or transfer shall not affect the exclusion of the interest on any Bonds then Outstanding from gross income for federal income tax purposes.

The Institution shall furnish or cause to be furnished to the Issuer and the Trustee a copy of any such assignment or transfer in substantially final form at least thirty (30) days prior to the date of execution thereof.

(b) The Institution shall not at any time lease all or substantially all of the Facility other than pursuant to the Lease Agreement, without the prior written consents of the Issuer and the Trustee (which consents may be withheld by the Issuer or the Trustee in their absolute discretion); nor shall the Institution lease part (*i.e.*, not constituting substantially all) of the Facility, other than pursuant to any Excluded Use Agreements, without the prior written consents of the Issuer and the Trustee (which consents shall, in such case, not be unreasonably withheld and, in the case of the Issuer, such consent to be requested by the Institution of the Issuer in the form prescribed by the Issuer, and such consent of the Issuer to take into consideration the Issuer's policies as in effect from time to time); provided further, that the following conditions must be satisfied on or prior to the date the Issuer and the Trustee consent to any such letting:

(i) the Institution shall have delivered to the Issuer and the Trustee a certificate of an Authorized Representative to the effect that the lease shall not cause the Facility to cease being the Approved Facility;

(ii) the Institution shall remain primarily liable to the Issuer for the payment of all loan and other payments and for the full performance of all of the terms, covenants and conditions of this Agreement and of the Promissory Note and of any other Project Document to which it shall be a party;

(iii) any lessee in whole or substantially in whole of the Facility shall have assumed in writing (and shall have executed and delivered to the Issuer, the Bondholder Representative and the Trustee such document) and have agreed to keep and perform all of the terms of this Agreement and each other Project Document on the part of the Institution to be kept and performed, shall be jointly and severally liable with the Institution for the performance thereof, shall be subject to service of process in the State, and, if a corporation, shall be qualified to do business in the State;

(iv) any lessee shall utilize the Facility as the Approved Facility and shall constitute a Tax-Exempt Organization;

(v) such lease shall not violate any provision of this Agreement or any other Project Document;

(vi) with respect to any letting in part of the Facility, no more than an aggregate of twenty percent (20%) of the Completed Improvements Square Footage shall be leased by the Institution;

(vii) an Opinion of Counsel shall have been delivered and addressed to the Issuer and the Trustee, to the effect that such lease shall constitute the legally valid, binding and enforceable obligation of the lessee and shall not legally impair in any respect the obligations of the Institution for the payment of all loan or other payments nor for the full performance of all of the terms, covenants and conditions of this Agreement, of the Promissory Note or of any other Project Document to which the Institution shall be a party, nor impair or limit in any respect the obligations of any other obligor under any other Project Document;

(viii) such lease shall in no way diminish or impair the obligation of the Institution to carry the insurance required under Section 3.11 of the Mortgage or Section 8.1 and the Institution shall furnish written evidence satisfactory to the Issuer, the Trustee and the Bondholder Representative that such insurance coverage shall in no manner be diminished or impaired by reason of such assignment, transfer or lease;

(ix) any such lessee shall have delivered to the Issuer the Required Disclosure Statement in form and substance satisfactory to the Issuer;

(x) each such lease shall contain such other provisions as the Issuer or the Trustee may reasonably require; and

(xi) an opinion of Nationally Recognized Bond Counsel shall have been delivered and addressed to the Issuer and the Trustee, to the effect that such lease shall not affect the exclusion of the interest on any Series 2018A Bonds then Outstanding from gross income for federal income tax purposes.

The Institution shall furnish or cause to be furnished to the Issuer and the Trustee a copy of any such lease in substantially final form at least thirty (30) days prior to the date of execution thereof.

(c) Any consent by the Issuer or the Trustee to any act of assignment, transfer or lease shall be held to apply only to the specific transaction thereby authorized. Such consent shall not be construed as a waiver of the duty of the Institution, or the successors or assigns of the Institution, to obtain from the Issuer and the Trustee consent to any other or subsequent assignment, transfer or lease, or as modifying or limiting the rights of the Issuer or the Trustee under the foregoing covenant by the Institution.

(d) For purposes of this Section 8.9, any license or other right of possession or occupancy granted by the Institution with respect to the Facility shall be deemed a lease subject to the provisions of this Section 8.9.

Section 8.10 Retention of Title to or of Interest in Facility; Grant of Easements; Release of Portions of Facility.

(a) The Institution shall not sell, assign, encumber (other than Permitted Encumbrances), convey or otherwise dispose of its fee title to or interest in the Facility, including the Improvements, or any part of the Facility or interest therein, except as set forth in Sections 3.3, 3.4, 3.5, 3.6, Article VI, 8.9 and 9.2 or in this Section, without (i) the prior written consents of the Issuer and of the Trustee and (ii) the Institution delivering to the Trustee and the Issuer an opinion of Nationally Recognized Bond Counsel to the effect that such action pursuant to this Section will not affect the exclusion of the interest on any Series 2018A Bonds then Outstanding from gross income for federal income taxes. Any purported disposition without such consents and opinion shall be void.

(b) The Institution may, with the prior written consents of the Issuer and the Trustee (such consents not to be unreasonably withheld or delayed), so long as there exists no Event of Default hereunder, grant such rights of way or easements over, across, or under, the

Facility Realty, or grant such permits or licenses in respect to the use thereof, free from the lien and security interest of the Mortgage, as shall be necessary or convenient in the opinion of the Institution for the operation or use of the Facility, or required by any utility company for its utility business, provided that, in each case, such rights of way, easements, permits or licenses shall not adversely affect the use or operation of the Facility as the Approved Facility, and provided, further, that any consideration received by the Institution from the granting of said rights-of-way, easements, permits or licenses shall be paid to the Trustee and deposited, on a pro rata basis, in the subaccounts of the Redemption Account of the Bond Fund. The Issuer agrees, at the sole cost and expense of the Institution, to execute and deliver, and to cause and direct the Trustee to execute and deliver, any and all instruments necessary or appropriate to confirm and grant any such right of way or easement or any such permit or license and to release the same from the lien and security interest of the Mortgage.

(c) No conveyance or release effected under the provisions of this Section 8.10 shall entitle the Institution to any abatement or diminution of the loan payments or other amounts payable under Section 4.3 or any other payments required to be made by the Institution under this Agreement or any other Project Document to which it shall be a party.

Section 8.11 Discharge of Liens.

(a) If any lien, encumbrance or charge is filed or asserted (including any lien for the performance of any labor or services or the furnishing of materials), or any judgment, decree, order, levy or process of any court or governmental body is entered, made or issued or any claim (such liens, encumbrances, charges, judgments, decrees, orders, levies, processes and claims being herein collectively called "**Liens**"), whether or not valid, is made against the Trust Estate, the Facility or any part thereof or the interest therein of the Institution or against any of the loan payments or other amounts payable under this Agreement, the Promissory Note or any of the other Security Documents, or the interest of the Issuer or the Institution in any Security Document, other than Liens for Impositions not yet payable, Permitted Encumbrances, or Liens being contested as permitted by Section 8.11(b), the Institution forthwith upon receipt of notice of the filing, assertion, entry or issuance of such Lien (regardless of the source of such notice) shall give written notice thereof to the Issuer and the Trustee and take all action (including the payment of money and/or the securing of a bond with respect to any such Lien) at its own cost and expense as may be necessary or appropriate to obtain the discharge in full of such Lien and to remove or nullify the basis therefor. Nothing contained in this Agreement shall be construed as constituting the express or implied consent to or permission of the Issuer for the performance of any labor or services or the furnishing of any materials that would give rise to any Lien not permitted under this Section 8.11(a).

(b) The Institution may at its sole cost and expense contest (after prior written notice to the Issuer and the Trustee), by appropriate action conducted in good faith and with due diligence, the amount or validity or application, in whole or in part, of any Lien, if:

(i) such proceeding shall suspend the execution or enforcement of such Lien against the Trust Estate, the Facility or any part thereof or interest therein, or against any of the loan payments or other amounts payable under this Agreement, the Promissory

Note or any of the other Project Documents or the interest of the Issuer or the Institution in any Project Document,

(ii) neither the Facility nor any part thereof or interest therein, the Trust Estate or any portion thereof, the loan payments or other amounts payable under this Agreement, the Promissory Note or any of the other Security Documents or the interest of the Issuer or the Institution in any Security Document would be in any danger of being sold, forfeited or lost,

(iii) none of the Institution, the Issuer or the Trustee would be in any danger of any civil or any criminal liability, other than normal accrual of interest, for failure to comply therewith, and

(iv) the Institution shall have furnished such security, if any, as may be required in such proceedings or as may be reasonably requested by the Issuer or the Trustee to protect the security intended to be offered by the Security Documents.

Section 8.12 Filing.

(a) The security interest granted by the Issuer to the Trustee pursuant to the Indenture in the rights and other intangible interests described therein, shall be perfected by the filing of financing statements at the direction of the Issuer (at the sole cost and expense of the Institution) in the office of the Secretary of State of the State in the City of Albany, New York, and in the offices of such Register of the City, which financing statements shall be in accordance with Article 9 (Secured Transactions) of the New York State Uniform Commercial Code.

(b) As of the Closing Date,

(i) Section 9-515 of the New York State Uniform Commercial Code provides that an initial financing statement filed in connection with a "public-finance transaction" is effective for a period of thirty (30) years after the date of filing if such initial financing statement indicates that it is filed in connection with a public-finance transaction,

(ii) Section 9-102(67) of the New York State Uniform Commercial Code defines a "public-finance transaction" as a secured transaction in connection with which (x) debt securities are issued, (y) all or a portion of the debt securities issued have an initial stated maturity of at least twenty (20) years, and (z) the debtor, obligor, secured party, account debtor or other person obligated on collateral, assignor or assignee of a security interest is a state or a governmental unit of a state, and

(iii) subject to any future change in law, the initial financing statement as shall be filed with respect to the security interest described above shall therefore have an effective period of thirty (30) years after the date of filing, for the purpose of determining the date by which continuation statements shall be filed.

(c) The parties hereto acknowledge and agree that, because the foregoing financing statements evidence collateral for the Initial Bonds, and because the Initial Bonds are municipal debt securities with a term that is at least twenty (20) years in duration, there is no need

under the Uniform Commercial Code of the State of New York to re-file such financing statements in order to preserve the liens and security interests that they create for the period commencing with the Closing Date and terminating on the thirtieth anniversary of the Closing Date.

Subsequent to the initial filings, if it is necessary to re-file financing statements and/or file continuation statements and/or take any other actions to preserve the lien and security interest of the Indenture (individually or collectively, the "**Continuation Action(s)**"), then the Institution in a timely manner shall: (A) as applicable, (i) prepare and deliver to the Trustee all necessary instruments and filing papers, together with remittances equal to the cost of required filing fees and other charges, so that the Trustee may perform the Continuation Actions, or (ii) electronically perform the Continuation Actions and deliver to the Trustee written certification (upon which the Trustee may conclusively rely) that such performance has occurred, specifying the Continuation Actions performed, or (iii) perform some of the Continuation Actions in the manner described in clause "(i)" and the others in the manner described in clause "(ii)"; and (B) if requested by the Trustee (acting at the direction of the Bondholder Representative (or, if there is no Bondholder Representative, the Majority Holders)) or the Issuer, deliver or cause to be delivered to the Issuer and the Trustee the Opinion of Counsel to the Institution as described below. The Trustee may conclusively rely upon (y) when applicable, the certification referred to in clause "(A)(ii)," and (z) in all instances, the Opinion of Counsel to the Institution. In the event the Institution chooses to have the Trustee perform all or some of the Continuation Actions, as provided in clause "(A)(i)", the Trustee shall reasonably promptly perform such Continuation Actions at the Institution's sole expense. The Institution shall perform the obligations described hereinabove in clauses "(A)" (in every case) and "(B)" (if so requested) no later than ten (10) days prior to (i)(y) the thirtieth (30th) anniversary of the Closing Date, and (z) each fifth (5th) anniversary thereafter, and/or (ii) the date (not covered by clause "(i)") on which a Continuation Action is to be taken to preserve the lien and security interest of the Indenture.

If an Opinion of Counsel to the Institution is requested pursuant to clause "(B)", then the Opinion of Counsel to the Institution shall be addressed to the Institution, the Issuer and the Trustee. If so requested, the Institution shall deliver successive Opinions of Counsel in respect of (i)(y) the thirtieth (30th) anniversary of the Closing Date, and (z) every five-year anniversary thereafter through the term of the Initial Bonds, and/or (ii) the date of any required Continuation Action not covered by clause "(i)," in each case not later than fifteen (15) days prior to the date on which a Continuation Action is required to be taken. In the Opinion of Counsel to the Institution, counsel shall opine as to: (i) what Continuation Actions are necessary; and (ii) the deadline dates for the required Continuation Actions; and (iii) the jurisdictions in which the Continuation Actions must be effected. Counsel in such opinion shall additionally opine that, upon performance of the Continuation Actions by, as the case may be, (i) the Trustee with instruments and papers prepared by the Institution, or (ii) the Institution through electronic filing, or (iii) the Trustee as to some Continuation Actions, and the Institution as to the others through electronic filings, all appropriate steps shall have been taken on the part of the Institution, the Issuer and the Trustee then requisite to the maintenance of the perfection of the security interest of the Trustee in and to all property and interests which by the terms of the Indenture are to be subjected to the lien and security interest of the Indenture.

(d) Any filings with respect to the Uniform Commercial Code financing statements may be made electronically, and the Issuer shall have the right to designate a company

(which shall be reasonably acceptable to the Trustee) to facilitate the filing of the Uniform Commercial Code financing statements.

(e) The Institution acknowledges and agrees that neither the Issuer nor the Trustee, nor any of their respective directors, members, officers, employees, servants, agents, persons under its control or supervision, or attorneys (including Nationally Recognized Bond Counsel to the Issuer), shall have any responsibility or liability whatsoever related in any way to the filing or re-filing of any Uniform Commercial Code financing statements or continuation statements, or the perfection or continuation of perfection of any security interests, or the recording or rerecording of any document, or the failure to effect any act referred to in this Section, or the failure to effect any such act in all appropriate filing or recording offices, or the failure of sufficiency of any such act so effected.

(f) The Institution agrees to perform all other acts (including the payment of all fees and expenses) necessary in order to enable the Issuer and the Trustee to comply with this Section and with Section 7.07 of the Indenture, including but not limited to, providing prompt notice to the Trustee of any change in either of the name or address of the Institution. The Institution agrees that the Issuer and the Trustee, if permitted by applicable law, may provide for the re-recording of the Indenture or any other Security Document or the filing or re-filing of continuation statements without the cooperation of the Institution as necessary at the sole cost and expense of the Institution.

Section 8.13 No Further Encumbrances Permitted. The Institution shall not create, permit or suffer to exist any mortgage, encumbrance, lien, security interest, claim or charge against (i) the Facility or any part thereof, or the interest of the Institution in the Facility, except for Permitted Encumbrances, or (ii) the Trust Estate or any portion thereof, the loan payments or other amounts payable under this Agreement, the Promissory Note or any of the other Security Documents or the interest of the Issuer or the Institution in any Security Document. The Institution covenants that it shall take or cause to be taken all action, including all filing and recording, as may be necessary to ensure that there are no mortgage liens on, or security interests in, the Facility (other than Permitted Encumbrances) prior to the mortgage liens thereon, and security interests therein, granted by the Mortgage.

Section 8.14 Automatically Deliverable to the Issuer.

(a) The Institution shall immediately notify the Issuer of the occurrence of any Event of Default, or any event that with notice and/or lapse of time would constitute an Event of Default under any Project Document. Any notice required to be given pursuant to this subsection shall be signed by an Authorized Representative of the Institution and set forth a description of the default and the steps, if any, being taken to cure said default. If no steps have been taken, the Institution shall state this fact on the notice.

(b) The Institution shall promptly provide written notice to the Issuer if any Conduct Representation made by the Institution would, if made on any date during the term of the Agreement and deemed made as of such date, be false, misleading or incorrect in any material respect.

(c) Within five (5) Business Days after receipt from the Issuer of any subtenant survey and questionnaire pertaining to the Facility, the Institution shall complete and execute such survey and questionnaire and return the same to the Issuer.

(d) The Institution shall deliver all insurance-related documents required by Sections 8.1(f) and 8.1(g).

(e) Within 120 days after the close of each Fiscal Year during which action was taken by the Institution pursuant to Section 3.4, the Institution shall deliver written notice of the Additional Improvement(s) to the Issuer.

(f) If a removal involving Existing Facility Property having a value in the aggregate exceeding $50,000 was taken by the Institution pursuant to Section 3.5(a), the Institution shall deliver written notice of such removal to the Issuer within five (5) Business Days following such removal.

(g) Promptly following completion of the Project, but no later than five (5) Business Days following the receipt of any one of a certificate of occupancy, temporary certificate of occupancy, an amended certificate of occupancy or a letter of no objection, the Institution shall deliver to the Issuer the certificate as to Project completion in substantially the form set forth in Exhibit G – "Form of Project Completion Certificate", together with all attachments required thereunder.

(h) If the Institution shall request the consent of the Issuer under Section 8.9 to any sublease in whole or in part of the Facility, or to any assignment or transfer of this Agreement, the Institution shall submit such request to the Issuer in the form prescribed by the Issuer.

Section 8.15 Requested Documents. Upon request of the Issuer, the Institution shall deliver or cause to be delivered to the Issuer within five (5) Business Days of the date so requested:

(a) a copy of the most recent annual audited financial statements of the Institution and of its subsidiaries, if any (including balance sheets as of the end of the Fiscal Year and the related statement of revenues, expenses and changes in fund balances and, if applicable, income, earnings, and changes in financial position) for such Fiscal Year, prepared in accordance with GAAP and certified by an Independent Accountant;

(b) a certificate of an Authorized Representative of the Institution that the insurance the Institution maintains complies with the provisions of Section 8.1, that such insurance has been in full force and effect at all times during the preceding Fiscal Year, and that duplicate copies of all policies or certificates thereof have been filed with the Issuer and are in full force and effect and the evidence required by Section 8.1(f);

(c) copies of any (x) bills, invoices or other evidences of cost as shall have been incurred in connection with the Project Work, and (y) permits, authorizations and licenses from appropriate authorities relative to the occupancy, operation and use of the Facility;

(d) a certificate of an Authorized Representative of the Institution certifying either (x) the Institution did not take any action described in Section 3.4 resulting in Additional

Improvements to the Facility Realty during the preceding Fiscal Year or (y) the Institution did take action or actions described in Section 3.4 resulting in Additional Improvements to the Facility Realty during the preceding Fiscal Year and the Institution complied with the provisions of Section 3.4;

(e) a certificate of an Authorized Representative of the Institution certifying either (x) the Institution did not take any action described in Section 3.5(a) resulting in the removal of Existing Facility Property having a value in the aggregate exceeding $50,000 during the preceding Fiscal Year or (y) the Institution did take action or actions described in Section 3.5(a) resulting in the removal of Existing Facility Property having a value in the aggregate exceeding $50,000 during the preceding Fiscal Year and the Institution complied with the provisions of Section 3.5(a);

(f) a certificate of an Authorized Representative of the Institution as to whether or not, as of the close of the immediately preceding Fiscal Year, and at all times during such Fiscal Year, the Institution was in compliance with all the provisions that relate to the Institution in this Agreement and in any other Project Document to which it shall be a party, and if such Authorized Representative shall have obtained knowledge of any default in such compliance or notice of such default, he shall disclose in such certificate such default or defaults or notice thereof and the nature thereof, whether or not the same shall constitute an Event of Default hereunder, and any action proposed to be taken by the Institution with respect thereto;

(g) upon twenty (20) days prior request by the Issuer, a certificate of an Authorized Representative of the Institution either stating that to the knowledge of such Authorized Representative after due inquiry there is no default under or breach of any of the terms hereof that exists or, with the passage of time or the giving of notice or both, would constitute an Event of Default hereunder, or specifying each such default or breach of which such Authorized Representative has knowledge;

(h) employment information requested by the Issuer pursuant to Section 8.7(b); and

(i) information regarding non-discrimination requested by the Issuer pursuant to Section 8.8.

Section 8.16 Periodic Reporting Information for the Issuer.

(a) The Institution shall not assert as a defense to any failure of the Institution to deliver to the Issuer any reports specified in this Section 8.16 that the Institution shall not have timely received any of the forms from or on behalf of the Issuer unless, (x) the Institution shall have requested in writing such form from the Issuer not more than thirty (30) days nor less than fifteen (15) days prior to the date due, and (y) the Institution shall not have received such form from the Issuer at least one (1) Business Day prior to the due date. For purposes of this Section 8.16, the Institution shall be deemed to have "received" any such form if it shall have been directed by the Issuer to a website at which such form shall be available. In the event the Issuer, in its sole discretion, elects to replace one or more of the reports required by this Agreement with

an electronic or digital reporting system, the Institution shall make its reports pursuant to such system.

(b) Annually, by August 1 of each year, commencing on the August 1 immediately following the Closing Date, until the termination of this Agreement, the Institution shall submit to the Issuer the Annual Employment and Benefits Report relating to the period commencing July 1 of the previous year and ending June 30 of the year of the obligation of the filing of such report, in the form prescribed by the Issuer, certified as to accuracy by an officer of the Institution. Upon termination of this Agreement, the Institution shall submit to the Issuer the Annual Employment and Benefits Report relating to the period commencing the date of the last such Report submitted to the Issuer and ending on the last payroll date of the preceding month in the form prescribed by the Issuer, certified as to accuracy by the Institution. Nothing herein shall be construed as requiring the Institution to maintain a minimum number of employees on its respective payroll.

(c) If there shall have been a tenant, other than the Institution or the School, with respect to all or part of the Facility, at any time during the immediately preceding calendar year, the Institution shall file with the Issuer by the next following February 1, a certificate of an Authorized Representative of the Institution with respect to all tenancies in effect at the Facility, in the form prescribed by the Issuer.

(d) If there shall have been a subtenant, other than the Institution or the School, with respect to all or part of the Facility, at any time during the twelve-month period terminating on the immediately preceding June 30, the Institution shall deliver to the Issuer by the next following August 1, a completed Subtenant's Employment and Benefits Report with respect to such twelve-month period, in the form prescribed by the Issuer.

(e) If the Institution shall have had the benefit of a Business Incentive Rate at any time during the twelve-month period terminating on the immediately preceding June 30, the Institution shall deliver to the Issuer by the next following August 1, a completed report required by the Issuer in connection with the Business Incentive Rate with respect to such twelve-month period, in the form prescribed by the Issuer.

(f) The Institution shall deliver to the Issuer on August 1 of each year, commencing on the August 1 immediately following the Closing Date, a completed location and contact information report in the form prescribed by the Issuer.

Section 8.17 Taxes, Assessments and Charges.

(a) The Institution shall pay when the same shall become due all taxes and assessments, general and specific, if any, levied and assessed upon or against the Trust Estate, the Facility Realty or any part thereof, or interest of the Institution in the Facility, or against any of the loan payments or other payments or other amounts payable hereunder, the Promissory Note or any of the other Project Documents, or the interest of the Issuer or the Institution in any Project Document, and all water and sewer charges, special district charges, assessments and other governmental charges and impositions whatsoever, foreseen or unforeseen, ordinary or extraordinary, under any present or future law, and charges for public or private utilities or other

charges incurred in the occupancy, use, operation, maintenance or upkeep of the Facility Realty, all of which are herein called "**Impositions**". The Institution may pay any Imposition in installments if so payable by law, whether or not interest accrues on the unpaid balance.

(b) In the event the Facility Realty is exempt from Impositions solely due to the Issuer's involvement with the Project and the Facility Realty, the Institution shall pay all Impositions to the appropriate taxing authorities equivalent to the Impositions that would have been imposed on the Facility Realty as if the Issuer had no involvement with the Project and the Facility Realty.

(c) The Institution may at its sole cost and expense contest (after prior written notice to the Issuer and the Trustee), by appropriate action conducted in good faith and with due diligence, the amount or validity or application, in whole or in part, of any Imposition, if

(i) such proceeding shall suspend the execution or enforcement of such Imposition against the Trust Estate, the Facility or any part thereof, or interest of the Institution in the Facility, or against any of the loan payments or other amounts payable under this Agreement, the Promissory Note or any of the other Project Documents, or the interest of the Issuer or the Institution in any Project Document,

(ii) none of the Trust Estate, the Facility nor any part thereof or interest of the Institution in the Facility, or any of the loan payments or other amounts payable under this Agreement, the Promissory Note or any of the other Project Documents, or the interest of the Issuer or the Institution in any Project Document, would be in any danger of being sold, forfeited or lost,

(iii) none of the Institution, the Issuer or the Trustee would be in any danger of any civil or any criminal liability, other than normal accrual of interest, for failure to comply therewith, and

(iv) the Institution shall have furnished such security, if any, as may be required in such proceedings or as may be reasonably requested by the Issuer or the Trustee to protect the security intended to be offered by the Security Documents.

Section 8.18 Compliance with Legal Requirements.

(a) The Institution shall not occupy, use or operate the Facility, or allow the Facility or any part thereof to be occupied, used or operated, for any unlawful purpose or in violation of any certificate of occupancy affecting the Facility or for any use which may constitute a nuisance, public or private, or make void or voidable any insurance then in force with respect thereto.

(b) At its sole cost and expense, the Institution shall promptly observe and comply with all applicable Legal Requirements (including, without limitation, as applicable, the LW Law, the Prevailing Wage Law, and the Earned Sick Time Act, constituting Chapter 8 of Title 20 of the New York City Administrative Code), whether foreseen or unforeseen, ordinary or extraordinary, that shall now or at any time hereafter be binding upon or applicable to the Institution, the Facility, any occupant, user or operator of the Facility or any portion thereof, and

will observe and comply with all conditions, requirements, and schedules necessary to preserve and extend all rights, licenses, permits (including zoning variances, special exception and non-conforming uses), privileges, franchises and concessions. The Institution will not, without the prior written consent of the Issuer and the Trustee (which consents shall not be unreasonably withheld or delayed), initiate, join in or consent to any private restrictive covenant, zoning ordinance or other public or private restrictions limiting or defining the uses that may be made of the Facility or any part thereof.

(c) The Institution may at its sole cost and expense contest in good faith the validity, existence or applicability of any of the matters described in Section 8.18(b) if (i) such contest shall not result in the Trust Estate, the Facility or any part thereof or interest of the Institution in the Facility, or any of the loan payments or other amounts payable under this Agreement, the Promissory Note or any of the other Project Documents, or the interest of the Issuer or the Institution in any Project Document, being in any danger of being sold, forfeited or lost, (ii) such contest shall not result in the Institution, the Issuer or the Trustee being in any danger of any civil or any criminal liability for failure to comply therewith, and (iii) the Institution shall have furnished such security, if any, as may be reasonably requested by the Issuer or the Trustee to protect the security intended to be offered by the Security Documents for failure to comply therewith.

Section 8.19 Operation as Approved Facility.

(a) The Institution will not take any action, or suffer or permit any action, if such action would cause the Facility not to be the Approved Facility.

(b) The Institution will not fail to take any action, or suffer or permit the failure to take any action, if such failure would cause the Facility not to be the Approved Facility.

(c) The Institution will permit the Trustee, the Bondholder Representative, the Independent Consultant and Cumming Construction Management, Inc., as construction consultant, and their respective duly authorized agents, at all reasonable times upon written notice and subject to student safety requirements to enter upon the Facility and to examine and inspect the Facility and exercise its rights hereunder, under the Indenture and under the other Security Documents with respect to the Facility. The Institution will further permit the Issuer, or its duly authorized agent, upon reasonable notice and subject to student safety requirements, at all reasonable times, to enter the Facility, but solely for the purpose of assuring that the Institution is operating the Facility, or is causing the Facility to be operated, as the Approved Facility consistent with the Approved Project Operations and with the corporate purposes of the Issuer.

Section 8.20 Restrictions on Dissolution and Merger.

(a) The Institution covenants and agrees that at all times during the term of this Agreement, it will

(i) maintain its existence as a disregarded entity of a not-for-profit corporation constituting a Tax-Exempt Organization,

(ii) continue to be subject to service of process in the State,

(iii) continue to be organized under the laws of, or qualified to do business in, the State,

(iv) not liquidate, wind up or dissolve or otherwise dispose of all or substantially all of its property, business or assets ("**Transfer**") remaining after the Closing Date, except as provided in Section 8.20(b),

(v) not consolidate with or merge into another Entity or permit one or more Entities to consolidate with or merge into it ("**Merge**"), except as provided in Section 8.20(b), and

(vi) not change or permit the change of any Principal of the Institution, or a change in the relative Control of the Institution of any of the existing Principals, except in each case as provided in Section 8.20(c) or in Section 8.31.

(b) Notwithstanding Section 8.20(a), the Institution may Merge or participate in a Transfer if the following conditions are satisfied on or prior to the Merger or Transfer, as applicable:

(i) when the Institution is the surviving, resulting or transferee Entity,

(1) the Institution shall have a net worth (as determined by an Independent Accountant in accordance with GAAP) at least equal to that of the Institution immediately prior to such Merger or Transfer,

(2) the Institution shall continue to be a Tax-Exempt Organization or a disregarded entity of a not-for-profit corporation constituting a Tax-Exempt Organization,

(3) the Institution shall deliver to the Issuer and the Trustee an opinion of Nationally Recognized Bond Counsel to the effect that such action will not cause the interest on the Series 2018A Bonds to become includable in gross income for federal income tax purposes,

(4) the Institution shall obtain the prior written consent of the Bondholder Representative, if any, and

(5) the Institution shall deliver to the Issuer a Required Disclosure Statement with respect to itself as surviving Entity in form and substance satisfactory to the Issuer; or

(ii) when the Institution is not the surviving, resulting or transferee Entity (the "**Successor Institution**"),

(1) the predecessor Institution (the "**Predecessor Institution**") shall not have been in default under this Agreement or under any other Project Document,

(2) the Successor Institution shall be a Tax-Exempt Organization or a disregarded entity of a not-for-profit corporation constituting a Tax-Exempt Organization and shall be solvent and subject to service of process in the State and organized under the laws of the State, or under the laws of any other state of the United States and duly qualified to do business in the State,

(3) the Successor Institution shall have assumed in writing all of the obligations of the Predecessor Institution contained in this Agreement and in all other Project Documents to which the Predecessor Institution shall have been a party,

(4) the Successor Institution shall have delivered to the Issuer a Required Disclosure Statement in form and substance acceptable to the Issuer acting in its sole discretion,

(5) each Principal of the Successor Institution shall have delivered to the Issuer a Required Disclosure Statement in form and substance acceptable to the Issuer acting in its sole discretion,

(6) the Successor Institution shall have delivered to the Issuer and the Trustee, in form and substance acceptable to the Issuer and the Trustee, an Opinion of Counsel to the effect that (y) this Agreement and all other Project Documents to which the Predecessor Institution shall be a party constitute the legal, valid and binding obligations of the Successor Institution and each is enforceable in accordance with their respective terms to the same extent as it was enforceable against the Predecessor Institution, and (z) such action does not legally impair the security for the Holders of the Bonds afforded by the Security Documents,

(7) the Successor Institution shall have delivered to the Issuer and the Trustee, in form and substance acceptable to the Issuer and the Trustee, an opinion of an Independent Accountant to the effect that the Successor Institution has a net worth (as determined in accordance with GAAP) after the Merger or Transfer at least equal to that of the Predecessor Institution immediately prior to such Merger or Transfer,

(8) the Institution shall obtain the prior written consent of the Bondholder Representative, if any, and

(9) the Successor Institution delivers to the Issuer and the Trustee an opinion of Nationally Recognized Bond Counsel to the effect that such action will not cause the interest on the Series 2018A Bonds to become includable in gross income for federal income tax purposes.

(c) If there is a change in Principals of the Institution, or a change in the Control of the Institution, the Institution shall deliver to the Issuer prompt written notice thereof (including all details that would result in a change to Exhibit D — "Principals of Institution") to the Issuer together with a Required Disclosure Statement in form and substance acceptable to the Issuer acting in its sole discretion.

Section 8.21 Preservation of Exempt Status. The Institution agrees that it shall:

(a) not perform any acts, enter into any agreements, carry on or permit to be carried on at the Facility, or permit the Facility to be used in or for any trade or business, which shall adversely affect the basis for its sole member's exemption under Section 501 of the Code;

(b) not use more than three percent (3%) of the proceeds of the Bonds or permit the same to be used, directly or indirectly, in any trade or business that constitutes an unrelated trade or business as defined in Section 513(a) of the Code or in any trade or business carried on by any Person or Persons who are not governmental units or Tax-Exempt Organizations;

(c) not directly or indirectly use the proceeds of the Bonds to make or finance loans to Persons other than governmental units or Tax-Exempt Organizations, provided that no loan shall be made to another Tax-Exempt Organization unless such organization is using the funds for a purpose that is not an unrelated trade or business for either the Institution or the borrower;

(d) not take any action, or fail to take any action, the result of which would cause the Institution to no longer be considered a disregarded entity for federal income tax purposes;

(e) not take any action or permit any circumstances within its control to arise or continue, if such action or circumstances, or its expectation on the Closing Date, would cause the Series 2018A Bonds to be "arbitrage bonds" under the Code or cause the interest paid by the Issuer on the Series 2018A Bonds to be subject to Federal income tax in the hands of the Holders thereof; and

(f) use its best efforts to maintain the tax-exempt status of the Series 2018A Bonds.

Section 8.22 Securities Law Status. The Institution covenants that:

(a) the Facility shall be operated (y) exclusively for civic or charitable purposes and (z) not for pecuniary profit, all within the meaning, respectively, of the Securities Act and of the Securities Exchange Act,

(b) no part of the net earnings of the Institution shall inure to the benefit of any person, private stockholder or individual, all within the meaning, respectively, of the Securities Act and of the Securities Exchange Act, and

(c) it shall not perform any act nor enter into any agreement which shall change such status as set forth in this Section.

Section 8.23 Further Assurances. The Institution will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered such further acts, instruments, conveyances, transfers and assurances, including Uniform Commercial Code financing statements, at the sole cost and expense of the Institution, as the Issuer or the Trustee deems reasonably necessary or advisable for the implementation, effectuation, correction, confirmation or perfection

of this Agreement and any rights of the Issuer or the Trustee hereunder, under the Indenture or under any other Security Document.

Section 8.24 Tax Regulatory Agreement.

(a) The Institution shall comply with all of the terms, provisions and conditions set forth in the Tax Regulatory Agreement, including, without limitation, the making of any payments and filings required thereunder.

(b) Promptly following receipt of notice from the Trustee as provided in Section 5.07 of the Indenture that the amount on deposit in the Rebate Fund is less than the Rebate Amount, the Institution shall deliver the amount necessary to make up such deficiency to the Trustee for deposit in the Rebate Fund.

(c) The Institution agrees to pay all costs of compliance with the Tax Regulatory Agreement and costs of the Issuer relating to any examination or audit of the Bonds by the Internal Revenue Service (including fees and disbursements of lawyers and other consultants).

Section 8.25 Compliance with the Indenture. The Institution will comply with the provisions of the Indenture with respect to the Institution. The Trustee shall have the power, authority, rights and protections provided in the Indenture. The Institution will use its best efforts to cause there to be obtained for the Issuer any documents or opinions of counsel required of the Issuer under the Indenture.

Section 8.26 Reporting Information for the Trustee.

(a) The Institution shall furnish or cause to be furnished to the Trustee:

(i) as soon as available and in any event within one hundred fifty (150) days after the close of each Fiscal Year, a copy of the annual financial statements of the Institution, including balance sheets as at the end of each such Fiscal Year, and the related statements of income, balances, earnings, retained earnings and changes in financial position for each such Fiscal Year, as audited by the Institution's Independent Accountant and prepared in accordance with GAAP, and

(ii) as soon as available and in any event within forty-five (45) days after the close of each quarter of each Fiscal Year, a copy of the unaudited financial statements of the Institution, including balance sheets as at the end of such quarter, and the related statements of income, balances, earnings, retained and changes in financial position for such quarter, prepared in accordance with GAAP, certified by an Authorized Representative of the Institution.

(b) The Institution shall deliver to the Trustee with each delivery of annual financial statements required by Section 8.26(a)(i):

(i) a certificate of an Authorized Representative of the Institution:

(1) as to whether or not, as of the close of such preceding Fiscal Year, and at all times during such Fiscal Year, the Institution was in compliance with all the provisions which relate to the Institution in this Agreement and in any other Project Document to which it shall be a party, and

(2) as to whether or not a Determination of Taxability has occurred, and

(3) if such Authorized Representative shall have obtained knowledge of any default in such compliance or notice of such default or Determination of Taxability, he shall disclose in such certificate such default or defaults or notice thereof and the nature thereof, whether or not the same shall constitute an Event of Default hereunder, and any action proposed to be taken by the Institution with respect thereto, and

(ii) a certificate of an Authorized Representative of the Institution that the insurance it maintains complies with the provisions of Section 8.1 of this Agreement and Section 3.11 of the Mortgage, that such insurance has been in full force and effect at all times during the preceding Fiscal Year, and that duplicate copies of all policies or certificates thereof have been filed with the Issuer and the Trustee and are in full force and effect.

(c) In addition, upon twenty (20) days prior request by the Trustee, the Institution will execute, acknowledge and deliver to the Issuer and the Trustee a certificate of an Authorized Representative of the Institution either stating that to the knowledge of such Authorized Representative after due inquiry no default or breach exists hereunder or specifying each such default or breach of which such Authorized Representative has knowledge.

(d) The Institution shall immediately notify the Trustee and the Bondholder Representative of the occurrence of any Event of Default or any event which with notice and/or lapse of time would constitute an Event of Default under any Project Document. Any notice required to be given pursuant to this subsection shall be signed by an Authorized Representative of the Institution and set forth a description of the default and the steps, if any, being taken to cure said default. If no steps have been taken, the Institution shall state this fact on the notice.

(e) The Institution shall deliver to the Trustee all insurance-related documents required by Sections 8.1(f)(i), 8.1(f)(ii), 8.1(f)(iii) and 8.1(g).

(f) The Trustee shall be under no obligation to review the financial statements received under this Section 8.26 for content and shall not be deemed to have knowledge of the contents thereof.

Section 8.27 Continuing Disclosure. The Institution shall enter into and comply with and carry out all of the provisions of a continuing disclosure agreement. Notwithstanding any other provision of this Agreement, failure of the Institution to comply with such continuing disclosure agreement shall not be considered an Event of Default; however, the Trustee may (and, at the request of any participating underwriter, the Bondholder Representative or the Holders of at least twenty-five percent (25%) aggregate principal amount in Outstanding Bonds, shall, upon

receipt of reasonable indemnification for its fees and costs acceptable to it), and any Holder or Beneficial Owner may, take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Institution to comply with its obligations under this Section 8.27. The Institution agrees that the Issuer shall have no continuing disclosure obligations.

Section 8.28 Repair and Replacement Fund.

(a) The Institution hereby covenants to engage an Independent Consultant to complete a Capital Needs Assessment for (i) the five (5) year period commencing on July 1, 2023, and (ii) each five (5) year period commencing on each fifth anniversary of July 1, 2023 (i.e., July 1, 2028, July 1, 2033, July 1, 2038, etc.). The Institution shall deliver a copy of the Capital Needs Assessment to the Trustee at least sixty (60) days prior to the commencing of the five (5) year period covered by such Capital Needs Assessment.

(b) Commencing on the Loan Payment Date in August 2019 and continuing until the amount on deposit in the Repair and Replacement Fund equals the Repair and Replacement Fund Requirement, the Institution shall deposit on each Loan Payment Date for deposit in the Repair and Replacement Fund, an amount equal to $50,000 Thereafter, Institution covenants that, unless the amount on deposit in the Repair and Replacement Fund on the first Business day of Fiscal Year 2023 and each fifth Fiscal Year thereafter equals or exceeds the Repair and Replacement Fund Requirement for such five (5) year period (as determined pursuant to the Capital Needs Assessment referenced in paragraph (a) above) (in which event no additional deposits are required), commencing with the first Loan Payment Date in such Fiscal Year and continuing with each Loan Payment Date thereafter through the end of such five year period, it shall deposit into the Repair and Replacement Funds substantially equal amounts which, in the aggregate, will equal the deficiency in the Repair and Replacement Fund by the end of the five (5) year period. The Institution shall not be required to pay or cause to be paid to the Trustee any amounts which would result in moneys in excess of the Repair and Replacement Fund Requirement being held in the Repair and Replacement Fund.

(c) Notwithstanding the foregoing, if at any time on or after July 1, 2023, the balance in the Repair and Replacement Fund is less than $200,000, the Institution shall deposit additional amounts into the Repair and Replacement Fund each month, in addition to the amounts required to be deposited therein pursuant to paragraph (b) above, if necessary, such that the Repair and Replacement Fund shall have a balance of at least $200,000 as of the end of the next Fiscal Year as reported in such Fiscal Year's audit.

Section 8.29 HireNYC Program.

The Institution shall use its good faith efforts to achieve the hiring and workforce development goals of the HireNYC Program and shall perform the requirements of the HireNYC Program, all as set forth in Exhibit I. The Institution agrees to be bound by each of the provisions of the HireNYC Program set forth in Exhibit I, including without limitation, the payment of any liquidated damages and other enforcement provisions set forth therein.

Section 8.30 Living Wage.

(a) Institution acknowledges and agrees that it has received "financial assistance" as defined in the LW Law. Institution agrees to comply with all applicable requirements of the LW Law. Institution acknowledges that the terms and conditions set forth in this Section 8.30 are intended to implement the Mayor's Executive Order No. 7 dated September 30, 2014.

(b) The following capitalized terms shall have the respective meanings specified below for purposes hereof.

Asserted Cure has the meaning specified in Section 8.30(k)(i).

Asserted LW Violation has the meaning specified in Section 8.30(k)(i).

Comptroller means the Comptroller of The City of New York or his or her designee.

Concessionaire means a Person that has been granted the right by Institution, an Affiliate of Institution or any tenant, subtenant, leaseholder or subleaseholder of Institution or of an Affiliate of Institution to operate at the Facility Realty for the primary purpose of selling goods or services to natural persons at the Facility Realty.

Covered Counterparty means a Covered Employer whose Specified Contract is directly with Institution or one of its Affiliates to lease, occupy, operate or perform work at the Facility Realty.

Covered Employer means any of the following Persons: (a) Institution, (b) a Site Affiliate, (c) a tenant, subtenant, leaseholder or subleaseholder of Institution or of an Affiliate of Institution that leases any portion of the Facility Realty (or an Affiliate of any such tenant, subtenant, leaseholder or subleaseholder if such Affiliate has one or more direct Site Employees), (d) a Concessionaire that operates on any portion of the Facility Realty, and (e) a Person that contracts or subcontracts with any Covered Employer described in clauses (a), (b), (c) or (d) above to perform work for a period of more than ninety days on any portion of the Facility Realty, including temporary services or staffing agencies, food service contractors, and other on-site service contractors; provided, however, that the term "Covered Employer" shall not include (i) a Person of the type described in Section 6-134(d)(2), (3), (4) or (5) of the New York City Administrative Code, (ii) a Person that has annual consolidated gross revenues that are less than the Small Business Cap unless the revenues of the Person are included in the consolidated gross revenues of a Person having annual consolidated gross revenues that are more than the Small Business Cap, in each case calculated based on the fiscal year preceding the fiscal year in which

the determination is being made, and in each case calculated in accordance with generally accepted accounting principles, (iii) any otherwise covered Person operating on any portion of the Facility Realty if residential units comprise more than 75% of the total Facility Realty area and all of the residential units are subject to rent regulation, (iv) any otherwise covered Person that the Issuer has determined (in its sole and absolute discretion) in writing to be exempt on the basis that it works significantly with a Qualified Workforce Program, (v) a Person whose Site Employees all are paid wages determined pursuant to a collective bargaining or labor agreement, (vi) if Institution is a "covered developer" under and as defined in the Prevailing Wage Law, a Person that is a "building services contractor" (as defined in the LW Law) so long as such Person is paying its "building service employees" (as defined in the Prevailing Wage Law) no less than the applicable "prevailing wage" (as defined in the Prevailing Wage Law), or (vii) a Person exempted by a Deputy Mayor of The City of New York in accordance with the Mayor's Executive Order No. 7 dated September 30, 2014.

DCA means the Department of Consumer Affairs of The City of New York, acting as the designee of the Mayor of The City of New York, or such other agency or designee that the Mayor of The City of New York may designate from time to time.

LW has the same meaning as the term "living wage" as defined in Section 6-134(b)(9) of the New York City Administrative Code and shall be adjusted annually in accordance therewith, except that as of April 1, 2015, the "living wage rate" component of the LW shall be eleven dollars and sixty-five cents per hour ($11.65/hour) and the "health benefits supplement rate" component of the LW shall be one dollar and sixty-five cents per hour ($1.65/hour). The annual adjustments to the "living wage rate" and "health benefits supplement rate" will be announced on or around January 1 of each year by the DCA and will go into effect on April 1 of such year.

LW Agreement means, with respect to any Covered Counterparty, an enforceable agreement in the form attached hereto as Exhibit J (except only with such changes as are necessary to make such Covered Counterparty the obligor thereunder).

LW Agreement Delivery Date means, with respect to any Covered Counterparty, the latest of (a) the effective date of such Covered Counterparty's Specified Contract, (b) the date that such Covered Counterparty becomes a Covered Employer at the Facility Realty and (c) the Closing Date.

LW Event of Default means the satisfaction of the following two conditions: (a) two or more LW Violation Final Determinations shall have been imposed against Institution or its Site Affiliates in respect of the direct Site Employees of Institution or its Site Affiliates in any consecutive six year period during the LW Term and (b) the aggregate amount of Owed Monies and Owed Interest paid or payable by Institution in respect of such LW Violation Final Determinations is in excess of the LW Violation Threshold in effect as of the date of the second LW Violation Final Determination. For the avoidance of doubt, the Owed Monies and Owed Interest paid or payable by Institution in respect of the Site Employees of a Covered Counterparty that is not an Affiliate of Institution (pursuant to Section 8.30(k)(v)) shall not count for purposes of determining whether the conditions in clauses (a) and (b) of the preceding sentence have been satisfied.

LW Law means the Fair Wages for New Yorkers Act, constituting Section 6-134 of the New York City Administrative Code, as amended, supplemented or otherwise modified from time to time, and all rules and regulations promulgated thereunder.

LW Term means the period commencing on the Closing Date and ending on the later to occur of (a) the date on which Institution is no longer receiving financial assistance under this Agreement or (b) the date that is ten years after the Facility commences operations.

LW Violation Final Determination has the meaning specified in Section 8.30(k)(i)(1), Section 8.30(k)(i)(2)(A) or Section 8.30(k)(i)(2)(B), as applicable.

LW Violation Initial Determination has the meaning specified in Section 8.30(k)(i)(2).

LW Violation Notice has the meaning specified in Section 8.30(k)(i).

LW Violation Threshold means $100,000 multiplied by 1.03^n, where "n" is the number of full years that have elapsed since January 1, 2015.

Owed Interest means the interest accruing on Owed Monies, which interest shall accrue from the relevant date(s) of underpayment to the date that the Owed Monies are paid, at a rate equal to the interest rate then in effect as prescribed by the superintendent of banks pursuant to Section 14-a of the New York State Banking Law, but in any event at a rate no less than six percent per year.

Owed Monies means, as the context shall require, either (a) the total deficiency of LW required to be paid by Institution or a Site Affiliate in accordance with this Section 8.30 to Institution's or its Site Affiliate's (as applicable) direct Site Employee(s) after taking into account the wages actually paid (which shall be credited towards the "living wage rate" component of the LW), and the monetary value of health benefits actually provided (which shall be credited towards the "health benefits supplement rate" component of the LW), to such direct Site Employee(s), all as calculated on a per pay period basis; or (b) if Institution or its Site Affiliate failed to obtain a LW Agreement from a Covered Counterparty as required under Section 8.30(f) below, the total deficiency of LW that would have been required to be paid under such Covered Counterparty's LW Agreement to its direct Site Employee(s) after taking into account the wages actually paid (which shall be credited towards the "living wage rate" component of the LW), and the monetary value of health benefits actually provided (which shall be credited towards the "health benefits supplement rate" component of the LW), to such direct Site Employee(s), all as calculated on a per pay period basis, during the period commencing on the LW Agreement Delivery Date applicable to such Covered Counterparty and ending immediately prior to the execution and delivery by such Covered Counterparty of its LW Agreement (if applicable).

Prevailing Wage Law means Section 6-130 of the New York City Administrative Code, as amended, supplemented or otherwise modified from time to time, and all rules and regulations promulgated thereunder.

Qualified Workforce Program means a training or workforce development program that serves youth, disadvantaged populations or traditionally hard-to-employ populations and that has

been determined to be a Qualified Workforce Program by the Director of the Mayor's Office of Workforce Development.

Site Affiliates means, collectively, all Affiliates of Institution that lease, occupy, operate or perform work at the Facility Realty and that have one or more direct Site Employees.

Site Employee means, with respect to any Covered Employer, any natural person who works at the Facility Realty and who is employed by, or contracted or subcontracted to work for, such Covered Employer, including all employees, independent contractors, contingent workers or contracted workers (including persons made available to work through the services of a temporary services, staffing or employment agency or similar entity) that are performing work on a full-time, part-time, temporary or seasonal basis; provided that the term "Site Employee" shall not include any natural person who works less than seventeen and a half (17.5) hours in any consecutive seven day period at the Facility Realty unless the primary work location or home base of such person is at the Facility Realty (for the avoidance of doubt, a natural person who works at least seventeen and a half (17.5) hours in any consecutive seven day period at the Facility Realty shall thereafter constitute a Site Employee).

Small Business Cap means three million dollars; provided that, beginning in 2015 and each year thereafter, the Small Business Cap shall be adjusted contemporaneously with the adjustment to the "living wage rate" component of the LW using the methodology set forth in Section 6-134(b)(9) of the New York City Administrative Code.

Specified Contract means, with respect to any Person, the principal written contract that makes such Person a Covered Employer hereunder.

(c) During the LW Term, if and for so long as Institution is a Covered Employer, Institution shall pay each of its direct Site Employees no less than an LW. During the LW Term, Institution shall cause each of its Site Affiliates that is a Covered Employer to pay their respective Site Employees no less than an LW.

(d) During the LW Term, if and for so long as Institution is a Covered Employer (or if and so long as a Site Affiliate is a Covered Employer, as applicable), Institution shall (or shall cause the applicable Site Affiliate to, as applicable), on or prior to the day on which each direct Site Employee of Institution or of a Site Affiliate begins work at the Facility Realty, (i) post a written notice detailing the wages and benefits required to be paid to Site Employees under this Section 8.30 in a conspicuous place at the Facility Realty that is readily observable by such direct Site Employee and (ii) provide such direct Site Employee with a written notice detailing the wages and benefits required to be paid to Site Employees under this Section 8.30. Such written notice shall also provide a statement advising Site Employees that if they have been paid less than the LW they may notify the Comptroller and request an investigation. Such written notice shall be in English and Spanish.

(e) During the LW Term, if and for so long as Institution is a Covered Employer (or if and for so long as a Site Affiliate is a Covered Employer, as applicable), Institution shall not (or the applicable Site Affiliate shall not, as applicable) take any adverse employment action against any Site Employee for reporting or asserting a violation of this Section 8.30.

(f) During the LW Term, regardless of whether Institution is a Covered Employer, Institution shall cause each Covered Counterparty to execute an LW Agreement on or prior to the LW Agreement Delivery Date applicable to such Covered Counterparty. Institution shall deliver a copy of each Covered Counterparty's LW Agreement to the Issuer, the DCA and the Comptroller at the notice address specified in Section 12.5 and promptly upon written request. Institution shall retain copies of each Covered Counterparty's LW Agreement until six (6) years after the expiration or earlier termination of such Covered Counterparty's Specified Contract.

(g) During the LW Term, in the event that an individual with managerial authority at Institution or at a Site Affiliate receives a written complaint from any Site Employee (or such individual otherwise obtains actual knowledge) that any Site Employee has been paid less than an LW, Institution shall deliver written notice to the Issuer, the DCA and the Comptroller within 30 days thereof.

(h) Institution hereby acknowledges and agrees that the City, the DCA and the Comptroller are each intended to be third party beneficiaries of the terms and provisions of this Section 8.30. Institution hereby acknowledges and agrees that the DCA, the Comptroller and the Issuer shall each have the authority and power to enforce any and all provisions and remedies under this Section 8.30 in accordance with paragraph (k) below. Institution hereby agrees that the DCA, the Comptroller and the Issuer may bring an action for damages (but not in excess of the amounts set forth in paragraph (k) below), injunctive relief or specific performance or any other non-monetary action at law or in equity, in each case subject to the provisions of paragraph (k) below, as may be necessary or desirable to enforce the performance or observance of any obligations, agreements or covenants of Institution (or of any Site Affiliate) under this Section 8.30. Notwithstanding anything herein to the contrary, no default or Event of Default under this Agreement shall occur by reason of Institution's failure to perform or observe any obligation, covenant or agreement contained in this Section 8.30 unless and until an LW Event of Default shall have occurred. The agreements and acknowledgements of Institution set forth in this Section 8.30 may not be amended, modified or rescinded by Institution without the prior written consent of the Issuer or the DCA.

(i) No later than 30 days after Institution's receipt of a written request from the Issuer, the DCA and/or the Comptroller, Institution shall provide to the Issuer, the DCA and the Comptroller (i) a certification stating that all of the direct Site Employees of Institution and its Site Affiliates are paid no less than an LW (if such obligation is applicable hereunder) and stating that Institution and its Site Affiliates are in compliance with this Section 8.30 in all material respects, (ii) a written list of all Covered Counterparties, together with the LW Agreements of such Covered Counterparties, (iii) certified payroll records in respect of the direct Site Employees of Institution or of any Site Affiliate (if applicable), and/or (iv) any other documents or information reasonably related to the determination of whether Institution or any Site Affiliate is in compliance with their obligations under this Section 8.30.

(j) Annually, by August 1 of each year during the LW Term, Institution shall (i) submit to the Issuer a written report in respect of employment, jobs and wages at the Facility Realty as of June 30 of such year, in a form provided by the Issuer to all projects generally, and (ii) submit to the Issuer and the Comptroller the annual certification required under Section 6-134(f) of the LW Law (if applicable).

(k) Violations and Remedies.

(i) If a violation of this Section 8.30 shall have been alleged by the Issuer, the DCA and/or the Comptroller, then written notice will be provided to Institution for such alleged violation (an "LW Violation Notice"), specifying the nature of the alleged violation in such reasonable detail as is known to the Issuer, the DCA and the Comptroller (the "Asserted LW Violation") and specifying the remedy required under Section 8.30(k)(ii), (iii), (iv), (v) and/or (vi) (as applicable) to cure the Asserted LW Violation (the "Asserted Cure"). Upon Institution's receipt of the LW Violation Notice, Institution may either:

(1) Perform the Asserted Cure no later than 30 days after its receipt of the LW Violation Notice (in which case a "LW Violation Final Determination" shall be deemed to exist), or

(2) Provide written notice to the Issuer, the DCA and the Comptroller indicating that it is electing to contest the Asserted LW Violation and/or the Asserted Cure, which notice shall be delivered no later than 30 days after its receipt of the LW Violation Notice. Institution shall bear the burdens of proof and persuasion and shall provide evidence to the DCA no later than 45 days after its receipt of the LW Violation Notice. The DCA shall then, on behalf of the City, the Issuer and the Comptroller, make a good faith determination of whether the Asserted LW Violation exists based on the evidence provided by Institution and deliver to Institution a written statement of such determination in reasonable detail, which shall include a confirmation or modification of the Asserted LW Violation and Asserted Cure (such statement, a "LW Violation Initial Determination"). Upon Institution's receipt of the LW Violation Initial Determination, Institution may either:

A. Accept the LW Violation Initial Determination and shall perform the Asserted Cure specified in the LW Violation Initial Determination no later than 30 days after its receipt of the LW Violation Initial Determination (after such 30 day period has lapsed, but subject to clause (B) below, the LW Violation Initial Determination shall be deemed to be a "LW Violation Final Determination"), or

B. Contest the LW Violation Initial Determination by filing in a court of competent jurisdiction or for an administrative hearing no later than 30 days after its receipt of the LW Violation Initial Determination, in which case, Institution's obligation to perform the Asserted Cure shall be stayed pending resolution of the action. If no filing in a court of competent jurisdiction or for an administrative hearing is made to contest the LW Violation Initial Determination within 30 days after Institution's receipt thereof, then the LW Violation Initial Determination shall be deemed to be a "LW Violation Final Determination". If such a filing is made, then a "LW

Violation Final Determination" will be deemed to exist when the matter has been finally adjudicated. Institution shall perform the Asserted Cure (subject to the judicial decision) no later than 30 days after the LW Violation Final Determination.

(ii) For the first LW Violation Final Determination imposed on Institution or any Site Affiliate in respect of any direct Site Employees of Institution or of a Site Affiliate, at the direction of the Issuer or the DCA (but not both), (A) Institution shall pay the Owed Monies and Owed Interest in respect of such direct Site Employees of Institution or of a Site Affiliate to such direct Site Employees; and/or (B) in the case of a violation that does not result in monetary damages owed by Institution, Institution shall cure, or cause the cure of, such non-monetary violation.

(iii) For the second and any subsequent LW Violation Final Determinations imposed on Institution or any Site Affiliate in respect of any direct Site Employees of Institution or of a Site Affiliate, at the direction of the Issuer or the DCA (but not both), (A) Institution shall pay the Owed Monies and Owed Interest in respect of such direct Site Employees of Institution or of a Site Affiliate to such direct Site Employees, and Institution shall pay fifty percent (50%) of the total amount of such Owed Monies and Owed Interest to the DCA as an administrative fee; and/or (B) in the case of a violation that does not result in monetary damages owed by Institution, Institution shall cure, or cause the cure of, such non-monetary violation.

(iv) For the second and any subsequent LW Violation Final Determinations imposed on Institution or any Site Affiliate in respect of any direct Site Employees of Institution or of a Site Affiliate, if the aggregate amount of Owed Monies and Owed Interest paid or payable by Institution in respect of the direct Site Employees of Institution or of a Site Affiliate is in excess of the LW Violation Threshold for all past and present LW Violation Final Determinations imposed on Institution or any Site Affiliate, then in lieu of the remedies specified in subparagraph (iii) above and at the direction of the Issuer or the DCA (but not both), Institution shall pay (A) two hundred percent (200%) of the Owed Monies and Owed Interest in respect of the present LW Violation Final Determination to the affected direct Site Employees of Institution or of a Site Affiliate, and (B) fifty percent (50%) of the total amount of such Owed Monies and Owed Interest to the DCA as an administrative fee.

(v) If Institution fails to obtain an LW Agreement from its Covered Counterparty in violation of paragraph (f) above, then at the discretion of the Issuer or the DCA (but not both), Institution shall be responsible for payment of the Owed Monies, Owed Interest and other payments described in subparagraphs (ii), (iii) and (iv) above (as applicable) as if the direct Site Employees of such Covered Counterparty were the direct Site Employees of Institution.

(vi) Institution shall not renew the Specified Contract of any specific Covered Counterparty or enter into a new Specified Contract with any specific Covered Counterparty if both (A) the aggregate amount of Owed Monies and Owed Interest paid or payable by such Covered Counterparty in respect of its direct Site Employees for all past

and present LW Violation Final Determinations (or that would have been payable had such Covered Counterparty entered into an LW Agreement) is in excess of the LW Violation Threshold and (B) two or more LW Violation Final Determinations against such Covered Counterparty (or in respect of the direct Site Employees of such Covered Counterparty) occurred within the last 6 years of the term of the applicable Specified Contract (or if the term thereof is less than 6 years, then during the term thereof); provided that the foregoing shall not preclude Institution from extending or renewing a Specified Contract pursuant to any renewal or extension options granted to the Covered Counterparty in the Specified Contract as in effect as of the LW Agreement Delivery Date applicable to such Covered Counterparty.

(vii) It is acknowledged and agreed that (A) other than as set forth in Section 8.2, the sole monetary damages that Institution may be subject to for a violation of this Section 8.30 are as set forth in this paragraph (k), and (B) in no event will the Specified Contract between Institution and a given Covered Counterparty be permitted to be terminated or rescinded by the Issuer, the DCA or the Comptroller by virtue of violations by Institution or another Covered Counterparty.

(l) The terms and conditions set forth in this Section 8.30 shall survive the expiration or earlier termination of this Agreement

Section 8.31 Substitution of Organization. Upon the delivery of the following items by the Institution to the Issuer, the Trustee and the Bondholder Representative together with a written notice indicating the Institution's intention to substitute a new Entity as the sole member of the Institution, the Institution may effectuate the substitution of Friends of Hebrew Public, Inc. as the sole member of the Institution in replacement of the Organization:

(a) an updated Exhibit D — "Principals of Institution";

(b) a Required Disclosure Statement in form and substance acceptable to the Issuer acting in its sole discretion;

(c) a copy of Friends of Hebrew Public, Inc.'s IRS Determination Letter;

(d) an opinion of counsel to Friends of Hebrew Public, Inc.in substantially the same form as the opinion of counsel to the Organization delivered on the Closing Date; and

(e) an opinion of Nationally Recognized Bond Counsel to the effect that such action will not cause the interest on the Series 2018A Bonds to become includable in gross income for federal income tax purposes.

The Institution hereby covenants and agrees to provide Nationally Recognized Bond Counsel with all materials and/or additional opinions of counsel with respect to the Institution, the Organization and/or Friends of Hebrew Public, Inc. necessary in order for Nationally Recognized Bond Counsel to issue and deliver the above-required opinion.

Section 8.32 Special Covenants.

The Institution covenants that it will provide standing instructions to the School to submit all payments under the Lease Agreement for direct deposit to the account held under the Account Control Agreement commencing immediately after the Closing Date. The Institution covenants and agrees that such standing instructions to the School shall remain in full force and effect at all times to ensure that all payments under the Lease Agreement are submitted by direct deposit to the account held under the Account Control Agreement for so long as any of the Bonds remain outstanding or unsatisfied, and that such standing instructions to the School shall remain irrevocable so long as any of the obligations of the Institution under this Agreement remain outstanding or unsatisfied.

ARTICLE IX

REMEDIES AND EVENTS OF DEFAULT

Section 9.1 Events of Default. Any one or more of the following events shall constitute an "Event of Default" hereunder:

(a) Failure of the Institution to pay any loan payment that has become due and payable by the terms of Section 4.3(a) or (e) which results in an Event of Default under the Indenture;

(b) Failure of the Institution to pay any amount (except as set forth in Section 9.1(a)) that has become due and payable or to observe and perform any covenant, condition or agreement on its part to be performed under Sections 5.1, 8.1, 8.2, 8.3, 8.9, 8.11, 8.13, 8.17, 8.18, 8.20, 8.21, 8.22, 8.26, 8.28, 9.7, 11.2 or 11.3 or Article VI and continuance of such failure for more than thirty (30) days after written notice of such failure has been given to the Institution specifying the nature of such failure by the Issuer or the Trustee or the Holders of more than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding;

(c) Failure of the Institution to observe and perform any covenant, condition or agreement hereunder on its part to be performed (except as set forth in Section 9.1(a) or (b)) and (i) continuance of such failure for more than thirty (30) days after written notice of such failure has been given to the Institution specifying the nature of same by the Issuer, the Trustee, the Bondholder Representative or the Holders of more than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding, or (ii) if by reason of the nature of such failure the same can be remedied, but not within the said thirty (30) days, the Institution fails to commence and thereafter proceed with reasonable diligence after receipt of said notice to cure such failure or fails to continue with reasonable diligence its efforts to cure such failure or fails to cure such failure within ninety (90) days of delivery of said original notice;

(d) The Institution shall (i) apply for or consent to the appointment of or the taking of possession by a receiver, liquidator, custodian or trustee of itself or of all or a substantial part of its property, (ii) admit in writing its inability, or be generally unable, to pay its debts as such debts generally become due, (iii) make a general assignment for the benefit of its creditors, (iv) commence a voluntary case under the Federal Bankruptcy Code (as now or hereafter in effect),

(v) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, (vi) fail to controvert in a timely or appropriate manner or acquiesce in writing to, any petition filed against itself in an involuntary case under the Federal Bankruptcy Code, (vii) take any action for the purpose of effecting any of the foregoing, or (viii) be adjudicated a bankrupt or insolvent by any court;

(e) A proceeding or case shall be commenced, without the application or consent of the Institution, in any court of competent jurisdiction, seeking, (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts, (ii) the appointment of a trustee, receiver, liquidator, custodian or the like of the Institution or of all or any substantial part of its assets, or (iii) similar relief under any law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of ninety (90) days; or any order for relief against the Institution shall be entered in an involuntary case under such Bankruptcy Code; the terms "dissolution" or "liquidation" of the Institution as used above shall not be construed to prohibit any action otherwise permitted by Section 8.20;

(f) Any representation or warranty made by the Institution (i) in the application and related materials submitted to the Issuer for approval of the Project or its financing, or (ii) herein or in any other Project Document, or (iii) in the Letter of Representation and Indemnity Agreement dated the Closing Date and delivered to the Issuer, the Trustee and the Underwriter of the Initial Bonds, or (iv) in the Tax Regulatory Agreement, or (v) by or on behalf of the Institution or any other Person in any Required Disclosure Statement, or (vi) in any report, certificate, financial statement or other instrument furnished pursuant hereto or any of the foregoing, shall in any case prove to be false, misleading or incorrect in any material respect as of the date made;

(g) The commencement of proceedings to appoint a receiver or to foreclose any mortgage lien on or security interest in the Facility including the Mortgage which continues unstayed and in effect, for a period of ninety (90) days;

(h) An "Event of Default" under the Indenture or under any other Security Document shall occur and be continuing.

(i) The occurrence of an LW Event of Default.

(j) Failure of the Institution to pay the amount required of it under Section 4.3(a)(v) or (vi) when required thereunder.

Section 9.2 Remedies on Default. Whenever any Event of Default referred to in Section 9.1 shall have occurred and be continuing, the Issuer, or the Trustee where so provided and in accordance with the provisions of the Indenture, may, take any one or more of the following remedial steps:

(i) The Trustee, as and to the extent provided in Article VIII of the Indenture, may cause all principal installments of loan payments payable under Section 4.3(a) until the Bonds are no longer Outstanding to be immediately due and payable, whereupon the same, together with the accrued interest thereon, shall become

immediately due and payable; provided, however, that upon the occurrence of an Event of Default under Section 9.1(d) or (e), all principal installments of loan payments payable under Section 4.3(a) until the Bonds are no longer Outstanding, together with the accrued interest thereon, shall immediately become due and payable without any declaration, notice or other action of the Issuer, the Trustee, the Holders of the Bonds or any other Person being a condition to such acceleration;

(ii) The Issuer or the Trustee may take whatever action at law or in equity as may appear necessary or desirable to collect the loan payments then due and thereafter to become due, or to enforce performance or observance of any obligations, agreements or covenants of the Institution under this Agreement; and

(iii) The Trustee may take any action permitted under the Security Documents with respect to an Event of Default thereunder.

(b) Upon the occurrence of a default with respect to any of the Issuer's Reserved Rights, the Issuer, without the consent of the Trustee or any other Person, may proceed to enforce the Issuer's Reserved Rights by

(i) bringing an action for damages, injunction or specific performance, and/or

(ii) taking whatever action at law or in equity as may appear necessary or desirable to collect payment of amounts due by the Institution under the Issuer's Reserved Rights or to enforce the performance or observance of any obligations, covenants or agreements of the Institution under the Issuer's Reserved Rights.

(c) No action taken pursuant to this Section 9.2 or by operation of law or otherwise shall, except as expressly provided herein, relieve the Institution from the Institution's obligations hereunder, all of which shall survive any such action.

Section 9.3 Bankruptcy Proceedings. In case proceedings shall be pending for the bankruptcy or for the reorganization of the Institution under the federal bankruptcy laws or any other applicable law, or in case a receiver or trustee (other than the Trustee under the Indenture) shall have been appointed for the property of the Institution or in the case of any other similar judicial proceedings relative to the Institution or the creditors or property of the Institution, then the Trustee shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount owing and unpaid pursuant to this Agreement and the Promissory Note, irrespective of whether the principal of the Bonds (and the loan payments payable pursuant to the Promissory Note and Section 4.3(a)) shall have been accelerated by declaration or otherwise, and irrespective of whether the Trustee shall have made any demand for payment hereunder or thereunder, and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee allowed in such judicial proceedings relative to the Institution, the creditors or property of the Institution, and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute such amounts as provided in the Indenture after the deduction of its charges and expenses. Any receiver, assignee or trustee in bankruptcy or

reorganization is hereby authorized to make such payments to the Trustee, and to pay to the Trustee any amount due it for compensation and expenses, including expenses and fees of counsel incurred by it up to the date of such distribution.

Section 9.4 Remedies Cumulative. The rights and remedies of the Issuer or the Trustee under this Agreement shall be cumulative and shall not exclude any other rights and remedies of the Issuer or the Trustee allowed by law with respect to any default under this Agreement. Failure by the Issuer or the Trustee to insist upon the strict performance of any of the covenants and agreements herein set forth or to exercise any rights or remedies upon default by the Institution hereunder shall not be considered or taken as a waiver or relinquishment for the future of the right to insist upon and to enforce by mandatory injunction, specific performance or other appropriate legal remedy the strict compliance by the Institution with all of the covenants and conditions hereof, or of the rights to exercise any such rights or remedies, if such default by the Institution be continued or repeated.

Section 9.5 No Additional Waiver Implied by One Waiver. In the event any covenant or agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. No waiver shall be binding unless it is in writing and signed by the party making such waiver. No course of dealing between the Issuer, the Bondholder Representative and/or the Trustee and the Institution or any delay or omission on the part of the Issuer and/or the Trustee in exercising any rights hereunder or under the Indenture or under any other Security Document shall operate as a waiver. To the extent permitted by applicable law, the Institution hereby waives the benefit and advantage of, and covenants not to assert against the Issuer or the Trustee, any valuation, inquisition, stay, appraisement, extension or redemption laws now existing or which may hereafter exist.

Section 9.6 Effect on Discontinuance of Proceedings. In case any proceeding taken by the Issuer or the Trustee under the Indenture or this Agreement or under any other Security Document on account of any Event of Default hereunder or thereunder shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Issuer or the Trustee, then, and in every such case, the Issuer, the Trustee and the Holders of the Bonds shall be restored, respectively, to their former positions and rights hereunder and thereunder, and all rights, remedies, powers and duties of the Issuer and the Trustee shall continue as in effect prior to the commencement of such proceedings.

Section 9.7 Agreement to Pay Fees and Expenses of Attorneys and Other Consultants. In the event the Institution should default under any of the provisions of this Agreement, and the Issuer or the Trustee should employ outside attorneys or other consultants or incur other expenses for the collection of loan payments or other amounts payable hereunder or the enforcement of performance or observance of any obligation or agreement on the part of the Institution herein contained or contained in any other Security Document, the Institution agrees that it will on demand therefor pay to the Issuer or the Trustee, as the case may be, the reasonable fees and disbursements of such attorneys or other consultants and such other expenses so incurred.

Section 9.8 Certain Continuing Representations. If at any time during the term of this Agreement, any Conduct Representation made by the Institution would, if made on any date

while Bonds are Outstanding and deemed made as of such date, be false, misleading or incorrect in any material respect, then, the Institution shall be deemed to be in default under this Agreement unless the Issuer shall, upon written request by the Institution, either waive such default in writing or consent in writing to an exception to such representation or warranty so that such representation or warranty shall no longer be false, misleading or incorrect in a material respect. Upon the occurrence of any such default, the Issuer shall have the right to require the redemption of the Bonds in accordance with Section 11.3(a).

Section 9.9 Late Delivery Fees.

(a) In the event the Institution shall fail:

(i) to pay the Annual Administrative Fee on the date required under Section 8.3,

(ii) to file and/or deliver any of the documents required of the Institution under Section 8.14 or Section 8.16 by the date therein stated (collectively, the "**Fixed Date Deliverables**"), or

(iii) to deliver to the Issuer any of the documents as shall have been requested by the Issuer of the Institution under Section 8.15 within five (5) Business Days of the date so requested (collectively, the "**Requested Document Deliverables**"),

then the Issuer may charge the Institution on a daily calendar basis commencing with the day immediately following the date on which the payment, filing or delivery was due (the "**Due Date**"), the Per Diem Late Fee.

(b) If the Issuer shall deliver written notice (a "**Notification of Failure to Deliver**") to the Institution of such failure to deliver on the Due Date the Annual Administrative Fee, a Fixed Date Deliverable and/or a Requested Document Deliverable, and such payment or document shall not be delivered to the Issuer within ten (10) Business Days following delivery by the Issuer to the Institution of the Notification of Failure to Deliver, then, commencing from and including the eleventh (11^{th}) Business Day following the delivery by the Issuer to the Institution of the Notification of Failure to Deliver, the Issuer may charge the Institution on a daily calendar basis the Per Diem Supplemental Late Fee in respect of each noticed failure which shall be in addition to, and be imposed concurrently with, the applicable Per Diem Late Fee.

(c) The Per Diem Late Fee and the Per Diem Supplemental Late Fee shall each, if charged by the Issuer, (i) accrue until the Institution delivers to the Issuer the Annual Administrative Fee, the Fixed Date Deliverable(s) and/or the Requested Document Deliverable(s), as the case may be, and (ii) be incurred on a daily basis for each such Annual Administrative Fee, Fixed Date Deliverable and/or Requested Document Deliverable as shall not have been delivered to the Issuer on the Due Date.

(d) No default on the part of the Institution under Section 8.3, 8.14, 8.15 or 8.16 of this Agreement to deliver to the Issuer an Annual Administrative Fee, a Fixed Date Deliverable or a Requested Document Deliverable shall be deemed cured unless the Institution shall have

delivered same to the Issuer and paid to the Issuer all accrued and unpaid Per Diem Fees in connection with the default.

ARTICLE X

TERMINATION OF THIS AGREEMENT

Section 10.1 Termination of this Agreement.

(a) The Institution shall have the option to cause the redemption or defeasance in whole of all Outstanding Bonds in accordance with the terms set forth in the Indenture.

(b) After full payment of the Bonds or provision for the payment in full thereof having been made in accordance with Article XI of the Indenture, but not later than the receipt by the Institution of ten (10) days prior written notice from the Issuer directing termination of this Agreement, the Institution shall terminate this Agreement by giving the Issuer notice in writing of such termination and thereupon such termination shall forthwith become effective, subject, however, to (x) the delivery of those documents referred to in Section 10.2, and (y) the survival of those obligations of the Institution set forth in Section 10.3.

Section 10.2 Actions on Termination. (a) As a condition precedent to the termination of this Agreement, the Institution shall:

(i) pay to the Trustee

(1) the expenses of redemption, the fees and expenses of the Trustee, the Bondholder Representative, the Bond Registrar and the Paying Agents and all other amounts due and payable under this Agreement and the other Security Documents, and

(2) any amounts required to be rebated to the Federal government pursuant to the Indenture or the Tax Regulatory Agreement; and

(ii) pay to the Issuer

(1) the fees and expenses of the Issuer, and

(2) all other amounts due and payable under this Agreement and the other Security Documents,

(iii) perform all accrued obligations hereunder or under any other Project Document,

(iv) deliver or cause to be delivered to the Issuer with respect to any mortgage exempt from the payment of mortgage recording tax by reason of the Issuer being a party thereto, an executed satisfaction of such mortgage in recordable form, executed by the mortgagee, and

(v) effect at its own cost and expense the proper recording and filing of all instruments terminating, satisfying and discharging the Security Documents.

(b) Upon the termination of this Agreement in accordance with Section 10.1, the Issuer will deliver or cause to be delivered, at the sole cost and expense of the Institution, to the Institution (i) a termination of this Agreement, and (ii) all necessary documents releasing all of the Issuer's rights and interests in and to any rights of action under this Agreement (other than as against the Institution or any insurer of the insurance policies under Section 8.1), or any insurance proceeds (other than liability insurance proceeds for the benefit of the Issuer) or condemnation awards, with respect to the Facility or any portion thereof. Concurrently with the delivery of such instruments, there shall be delivered by the Issuer (at the sole cost and expense of the Institution) to the Trustee any instructions or other instruments required by Article XI of the Indenture to defease and pay the Outstanding Bonds, together with a direction to the Trustee that the Trustee deliver to the Issuer and the Institution a release, satisfaction or termination of the Indenture and of the mortgage lien and security interest of the Mortgage on the Mortgaged Property.

Section 10.3 Survival of Institution Obligations. Upon compliance with Section 10.2, this Agreement and all obligations of the Institution hereunder shall be terminated except the obligations of the Institution under Sections 5.1, 8.2, 8.24, 8.30, 9.2, 9.3, 9.7, 9.9, 12.4, 12.5, 12.6, 12.11, 12.13 and 12.14 shall survive such termination.

ARTICLE XI

CERTAIN PROVISIONS RELATING TO THE BONDS

Section 11.1 Issuance of Additional Bonds. If a Series of Additional Bonds are to be issued pursuant to the Indenture, the Issuer and the Institution shall enter into an amendment to this Agreement, and the Institution shall execute and deliver a new Promissory Note, in each case providing, among other things, for the payment by the Institution of such additional loan payments as are necessary in order to amortize in full the principal of and interest on such Series of Additional Bonds and any other costs in connection therewith.

Any such completion, repair, relocation, replacement, rebuilding, restoration, additions, extensions or improvements shall become a part of the Facility and shall be included under this Agreement to the same extent as if originally included hereunder.

Section 11.2 Determination of Taxability. (a) If any Holder of Series 2018A Bonds receives from the Internal Revenue Service a notice of assessment and demand for payment with respect to interest on any Series 2018A Bond, an appeal may be taken by such Holder at the option of either such Holder or the Institution. If such appeal is taken at the option of the Institution (exercised in accordance with the procedures set forth in the definition of "Determination of Taxability"), all expenses of the appeal including reasonable counsel fees shall be paid by the Institution, and the Institution shall control the procedures and terms relating to such appeal, and such Holder and the Institution shall cooperate and consult with each other in all matters pertaining to any such appeal which the Institution has elected to take, except that no Holder of Series 2018A Bonds shall be required to disclose or furnish any non-publicly disclosed information, including without limitation, financial information and tax returns. Before the taking of any appeal which

the Institution has elected to take, however, the Bondholder shall have the right to require the Institution to pay the tax assessed and conduct the appeal as a contest for reimbursement.

(b) The obligations of the Institution to make the payments provided for in this Section shall be absolute and unconditional, and the failure of the Issuer, the Trustee or any other Person to execute or deliver or cause to be delivered any documents or to take any action required under this Agreement or otherwise shall not relieve the Institution of its obligation under this Section.

(c) Not later than forty-five (45) days following a Determination of Taxability, the Institution shall pay to the Trustee an amount sufficient, when added to the amounts then in the Bond Fund and available for such purpose, to retire and redeem all Initial Bonds then Outstanding, in accordance with the Indenture. The Initial Bonds shall be redeemed in whole.

Section 11.3 Mandatory Redemption of Bonds as Directed by the Issuer. (a) Upon the determination by the Issuer that (i) the Institution is operating the Facility or any portion thereof, or is allowing the Facility or any portion thereof to be operated, not for the Approved Project Operations in accordance with this Agreement and the failure of the Institution within thirty (30) days of the receipt by the Institution of written notice of such noncompliance from the Issuer to cure such noncompliance together with a copy of such resolution (a copy of which notice shall be sent to the Trustee), (ii) the Institution, any Principal of the Institution or any Person that directly or indirectly Controls, is Controlled by or is under common Control with the Institution has committed a material violation of a material Legal Requirement and the failure of the Institution within thirty (30) days of the receipt by the Institution of written notice of such determination from the Issuer to cure such material violation (which cure, in the case of a Principal who shall have committed the material violation of a material Legal Requirement, may be effected by the removal of such Principal), (iii) as set forth in Section 9.8, any Conduct Representation is false, misleading or incorrect in any material respect at any date, as if made on such date, or (iv) a Required Disclosure Statement delivered to the Issuer under any Project Document is not acceptable to the Issuer acting in its sole discretion, the Institution covenants and agrees that it shall, no later than ten (10) days following the termination of such thirty (30) day period, pay to the Trustee advance loan payments in immediately available funds in an amount sufficient to redeem the Bonds Outstanding in whole at the Redemption Price of 100% of the aggregate principal amount of the Outstanding Bonds together with interest accrued thereon to the redemption date. The Issuer shall give prior written notice of the meeting at which the Board of Directors of the Issuer are to consider such resolution to the Institution and the Trustee, which notice shall be no less than fifteen (15) days prior to such meeting.

(b) In the event the Institution fails to obtain or maintain the liability insurance with respect to the Facility required under Section 8.1, and the Institution shall fail to cure such circumstance within ten (10) days of the receipt by the Institution of written notice of such noncompliance from the Issuer and a demand by the Issuer on the Institution to cure such noncompliance, upon notice or waiver of notice as provided in the Indenture, the Institution shall pay to the Trustee advance loan payments in immediately available funds in an amount sufficient to redeem the Bonds Outstanding in whole at the Redemption Price of one hundred percent (100%) of the unpaid principal amount of the Bonds, together with interest accrued thereon to the date of redemption.

Section 11.4 Mandatory Redemption As a Result of Project Gifts or Grants. (a) If, prior to completion of the construction of a component of the Project, the Institution receives any gift or grant required by the terms thereof to be used to pay any item which is a cost of such component of the Project, the Institution shall apply such gift or grant to completion of the construction of such component of the Project. In the event that the amount of such gift or grant is in excess of the amount necessary to complete such component of the Project, and if proceeds of the Bonds (i) have been expended on such component of the Project more than eighteen (18) months prior to the receipt of such gift or grant, or (ii) (A) have been expended on such component of the Project not more than eighteen (18) months prior to the receipt of such gift or grant and (B) the aggregate amount of Project Costs not otherwise provided for is less than the amount of Bond proceeds expended on such component of the Project, then, in accordance with the provisions of the Tax Regulatory Agreement and the Indenture, the Institution shall cause the Trustee to effect a redemption of Bonds in a principal amount equal to such excess only to the extent to which proceeds of the Bonds were expended for such component.

(b) If, after completion of the construction of a component of the Project, the Institution receives any gift or grant which prior to such completion it reasonably expected to receive and which is required by the terms thereof to be used to pay any item which is a cost of such component of the Project, and if proceeds of the Bonds (i) have been expended on such component of the Project more than eighteen (18) months prior to the earlier of the date on which Bond proceeds were expended thereon or the placed in service date of such component, or (ii) (A) have been expended on such component of the Project not more than eighteen (18) months prior to the earlier of the date on which Bond proceeds were expended thereon or the placed in service date of such component and (B) the aggregate amount of Project Costs not otherwise provided for is less than the amount of Bond proceeds expended on such component of the Project, the Institution shall, to the extent not inconsistent with the terms of such gift or grant, deposit an amount equal to such gift or grant with the Trustee for deposit, on a pro rata basis, into the subaccounts of the Redemption Account of the Bond Fund and cause the Trustee to effect a redemption of the Bonds in accordance with the provisions of the Tax Regulatory Agreement and the Indenture and in a principal amount equal to such gift or grant, but only to the extent to which proceeds of Bonds were expended for such component.

(c) The Institution shall, prior to directing the redemption of any Bonds in accordance with this Section 11.4, consult with Nationally Recognized Bond Counsel for advice as to a manner of selection of Bonds for redemption that will not affect the exclusion of interest on any Series 2018A Bonds or any tax-exempt Additional Bonds then Outstanding from gross income for federal income tax purposes.

Section 11.5 Right to Cure Issuer Defaults. The Issuer hereby grants the Institution full authority for account of the Issuer to perform any covenant or obligation the non-performance of which is alleged to constitute a default in any notice received by the Institution, in the name and stead of the Issuer, with full power of substitution.

Section 11.6 Prohibition on the Purchase of Bonds. Except as provided in this Section, neither the Institution nor any Related Person (as defined in the Tax Regulatory Agreement and including the School) to the Institution shall purchase Series 2018A Bonds in an amount related to the amount of the Loan. The Institution shall have the option, at any time during the term of this

Agreement, to purchase Bonds for its own account, whether by direct negotiation, through a broker or dealer, or by making a tender offer to the Holders thereof. The Bonds so purchased by the Institution or by any Affiliate of the Institution shall be delivered to the Trustee for cancellation within fifteen (15) days of the date of purchase unless, if such purchase is (x) on or after August 15, 2028 and (y) of a Series 2018A Bond, the Institution shall deliver to the Trustee and the Issuer an opinion of Nationally Recognized Bond Counsel to the effect that the failure to surrender such Series 2018A Bond by such date will not affect the exclusion of the interest on any Series 2018A Bonds then Outstanding from gross income for federal income tax purposes. The Institution acknowledges and agrees that any Bonds purchased by the Institution shall not be entitled to any voting rights under the Indenture.

Section 11.7 Investment of Funds. Any moneys held as part of the Rebate Fund, the Earnings Fund, the Project Fund, the Bond Fund, the Debt Service Reserve Fund, the Repair and Replacement Fund or the Renewal Fund or in any special fund provided for in this Agreement or in the Indenture to be invested in the same manner as in any said Fund shall, at the written request of an Authorized Representative of the Institution, be invested and reinvested by the Trustee as provided in the Indenture (but subject to the provisions of the Tax Regulatory Agreement). Neither the Issuer nor the Trustee nor any of their members, directors, officers, agents, servants or employees shall be liable for any depreciation in the value of any such investments or for any loss arising therefrom.

Interest and profit derived from such investments shall be credited and applied as provided in the Indenture, and any loss resulting from such investments shall be similarly charged.

ARTICLE XII

MISCELLANEOUS

Section 12.1 Force Majeure. In case by reason of *force majeure* either party hereto shall be rendered unable wholly or in part to carry out its obligations under this Agreement, then except as otherwise expressly provided in this Agreement, if such party shall give notice and full particulars of such *force majeure* in writing to the other party within a reasonable time after occurrence of the event or cause relied on, the obligations of the party giving such notice (other than (i) the obligations of the Institution to make the loan payments or other payments required under the terms hereof, or (ii) the obligations of the Institution to comply with Section 5.1, 8.1 or 8.2), so far as they are affected by such *force majeure*, shall be suspended during the continuance of the inability then claimed, which shall include a reasonable time for the removal of the effect thereof, but for no longer period, and such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "*force majeure*" shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, orders of any kind of the Government of the United States or of the State or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrest, restraining of government and people, war, terrorism, civil disturbances, explosions, partial or entire failure of utilities, shortages of labor, material, supplies or transportation, or any other act or event so long as such act or event is not reasonably foreseeable and is not reasonably within the control of the party claiming such inability. Notwithstanding anything to the contrary herein, in no event shall the Institution's financial condition or inability

to obtain financing constitute a *force majeure*. It is understood and agreed that the requirements that any *force majeure* shall be reasonably beyond the control of the party and shall be remedied with all reasonable dispatch shall be deemed to be satisfied in the event of a strike or other industrial disturbance even though existing or impending strikes or other industrial disturbances could have been settled by the party claiming a *force majeure* hereunder by acceding to the demands of the opposing person or persons.

The Institution shall promptly notify the Issuer and the Trustee upon the occurrence of each *force majeure*, describing such *force majeure* and its effects in reasonable detail. The Institution shall also promptly notify the Issuer and the Trustee upon the termination of each such *force majeure*. The information set forth in any such notice shall not be binding upon the Issuer or the Trustee, and the Issuer or the Trustee shall be entitled to dispute the existence of any *force majeure* and any of the contentions contained in any such notice received from the Institution.

Section 12.2 Assignment of Mortgage and Pledge under Indenture. Pursuant to (i) the Mortgage, the Institution will mortgage its fee interests in the Mortgaged Property to the Issuer and the Trustee as security for the Bonds and the obligations of the Institution under the Security Documents, (ii) the Assignment of Mortgage, the Issuer will assign all of its right, title and interest in the Mortgage to the Trustee, and (iii) the Indenture, the Issuer will pledge and assign the Promissory Note and the loan payments and certain other moneys receivable under this Agreement to the Trustee as security for payment of the principal or Redemption Price, if applicable, of, Sinking Fund Installments for, and interest on the Bonds. The Institution hereby consents to the Issuer's pledge and assignment to the Trustee of all its right, title and interest in the Mortgage, the Promissory Note and this Agreement (except for the Issuer's Reserved Rights).

Section 12.3 Amendments. This Agreement may be amended only with the concurring written consent of the Trustee given in accordance with the provisions of the Indenture and only by a written instrument executed by the parties hereto.

Section 12.4 Service of Process. The Institution represents that it is subject to service of process in the State and covenants that it will remain so subject until all obligations, covenants and agreements of the Institution under this Agreement shall be satisfied and met. If for any reason the Institution should cease to be so subject to service of process in the State, the Institution hereby irrevocably consents to the service of all process, pleadings, notices or other papers in any judicial proceeding or action by designating and appointing Chair of the Institution at 555 8th Avenue, Suite 1703, New York, New York 10018, as its agent upon whom may be served all process, pleadings, notices or other papers which may be served upon the Institution as a result of any of its obligations under this Agreement. If such appointed agent shall cease to act or otherwise cease to be subject to service of process in the State, the Institution hereby irrevocably designates and appoints the Secretary of State of the State of New York as its agent upon whom may be served all process, pleadings, notices or other papers which may be served upon the Institution as a result of any of its obligations under this Agreement; provided, however, that the service of such process, pleadings, notices or other papers shall not constitute a condition to the Institution's obligations hereunder.

For such time as any of the obligations, covenants and agreements of the Institution under this Agreement remain unsatisfied, the Institution's agent(s) designated in this Section 12.4 shall

accept and acknowledge on the Institution's behalf each service of process in any such suit, action or proceeding brought in any such court. The Institution agrees and consents that each such service of process upon such agents and written notice of such service to the Institution in the manner set forth in Section 12.5 shall be taken and held to be valid personal service upon the Institution whether or not the Institution shall then be doing, or at any time shall have done, business within the State and that each such service of process shall be of the same force and validity as if service were made upon the Institution according to the laws governing the validity and requirements of such service in the State, and waives all claim of error by reason of any such service.

Such agents shall not have any power or authority to enter into any appearance or to file any pleadings in connection with any suit, action or other legal proceedings against the Institution or to conduct the defense of any such suit, action or any other legal proceeding except as expressly authorized by the Institution.

Section 12.5 **Notices.** Any notice, demand, direction, certificate, Opinion of Counsel, request, instrument or other communication authorized or required by this Agreement to be given to or filed with the Issuer, the Institution, the Trustee, the Bondholder Representative, the DCA or the Comptroller shall be sufficient if sent (i) by return receipt requested or registered or certified United States mail, postage prepaid, (ii) by a nationally recognized overnight delivery service for overnight delivery, charges prepaid or (iii) by hand delivery, addressed, as follows:

(1) if to the Issuer, to

Build NYC Resource Corporation
110 William Street
New York, New York 10038
Attention: General Counsel

with a copy to

Build NYC Resource Corporation
110 William Street
New York, New York 10038
Attention: Executive Director

(2) if to the Institution, to

Friends of Hebrew Public Borrower, LLC
c/o Hebrew Public
555 8th Avenue, Suite 1703
New York, New York 10018
Attention: President (with a copy to the Chief Financial Officer at the same address)

with a copy to

Perlman + Perlman LLP

41 Madison Avenue, Suite 4000
New York, New York 10010
Attention: Allen Bromberger, Esq.

and to:

Arent Fox LLP
1301 Avenue of the Americas, Floor 42
New York, New York 10019
Attention: Richard Krainin, Esq.

(3) if to the Trustee, to

The Bank of New York Mellon
240 Greenwich Street, Floor 7W
New York, New York 10286
Attention: Corporate Trust Administration

(4) if to the Bondholder Representative, to

Rosemawr Management, LLC
810 Seventh Avenue, 27th Floor
New York, New York 10019
Attention: c/o HLA2 Disclosure Department

with a copy to hla2@rosemawr.com

(5) if to the DCA, to

Department of Consumer Affairs of The City of New York
42 Broadway
New York, New York 10004
Attention: Living Wage Division

(5) if to the Comptroller, to

Office of the Comptroller of The City of New York
One Centre Street
New York, New York 10007
Attention: Chief, Bureau of Labor Law

The Issuer, the Institution, the Trustee, the Bondholder Representative, the DCA and the Comptroller may, by like notice, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Any notice, certificate or other communication hereunder shall, except as may expressly be provided herein, be deemed to have been delivered or given (i) three (3) Business Days following posting if transmitted by mail, (ii) one (1) Business Day following sending if transmitted for overnight delivery by a nationally recognized overnight delivery service, or (iii) upon delivery if given by hand delivery, with refusal

by an Authorized Representative of the intended recipient party to accept delivery of a notice given as prescribed above to constitute delivery hereunder.

Section 12.6 Consent to Jurisdiction. The Institution irrevocably and unconditionally (i) agrees that any suit, action or other legal proceeding arising out of this Agreement or any other Project Document, the Facility, the Project, the relationship between the Issuer and the Institution, the Institution's ownership, use or occupancy of the Facility and/or any claim for injury or damages may be brought in the courts of record of the State in New York County or the United States District Court for the Southern District of New York; (ii) consents to the jurisdiction of each such court in any such suit, action or proceeding; (iii) waives any objection which it may have to the venue of any such suit, action or proceeding in such courts; and (iv) waives and relinquishes any rights it might otherwise have (A) to move to dismiss on grounds of *forum non conveniens*, (B) to remove to any federal court other than the United States District Court for the Southern District of New York, and (C) to move for a change of venue to a New York State Court outside New York County.

If the Institution commences any action against the Issuer or the Trustee in a court located other than the courts of record of the State in New York County or the United States District Court for the Southern District of New York, the Institution shall, upon request from the Issuer or the Trustee, either consent to a transfer of the action or proceeding to a court of record of the State in New York County or the United States District Court for the Southern District of New York, or, if the court where the action or proceeding is initially brought will not or cannot transfer the action, the Institution shall consent to dismiss such action without prejudice and may thereafter reinstitute the action in a court of record of the State in New York County or the United States District Court for the Southern District of New York.

Section 12.7 Prior Agreements Superseded. This Agreement shall completely and fully supersede all other prior understandings or agreements, both written and oral, between the Issuer and the Institution relating to the Facility, other than any other Project Document.

Section 12.8 Severability. If any one or more of the provisions of this Agreement shall be ruled illegal or invalid by any court of competent jurisdiction, the illegality or invalidity of such provision(s) shall not affect any of the remaining provisions hereof, but this Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

Section 12.9 Effective Date; Counterparts. The date of this Agreement shall be for reference purposes only and shall not be construed to imply that this Agreement was executed on the date first above written. This Agreement was delivered on the Closing Date. This Agreement shall become effective upon its delivery on the Closing Date. It may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.10 Binding Effect. This Agreement shall inure to the benefit of the Issuer, the Trustee, the Bond Registrar, the Paying Agents, the Indemnified Parties and the Holders of the Bonds, and shall be binding upon the Issuer and the Institution and their respective successors and assigns.

Section 12.11 Third Party Beneficiaries. (a) The Issuer and the Institution agree that this Agreement is executed in part to induce the purchase by others of the Bonds and for the further securing of the Bonds, and accordingly all covenants and agreements on the part of the Issuer and the Institution as set forth in this Agreement are hereby declared to be for the benefit of the Holders from time to time of the Bonds and may be enforced as provided in Article VIII of the Indenture on behalf of the Bondholders by the Trustee.

(b) Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the Issuer, the Trustee, the Bond Registrar, the Institution, the Paying Agents and the Holders of the Bonds any right, remedy or claim under or by reason of this Agreement or any covenant, condition or stipulation thereof. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Trustee, the Bond Registrar, the Institution, the Paying Agents and the Holders of the Bonds.

Section 12.12 Law Governing. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without regard or giving effect to the principles of conflicts of laws thereof.

Section 12.13 Waiver of Trial by Jury. The Institution does hereby expressly waive all rights to a trial by jury on any cause of action directly or indirectly involving the terms, covenants or conditions of this Agreement or any matters whatsoever arising out of or in any way connected with this Agreement, the Institution's obligations hereunder, the Facility, the Project, the relationship between the Issuer and the Institution, the Institution's ownership, use or occupancy of the Facility and/or any claim for injury or damages.

The provision of this Agreement relating to waiver of a jury trial shall survive the termination or expiration of this Agreement.

Section 12.14 Recourse Under This Agreement. All covenants, stipulations, promises, agreements and obligations of the Issuer contained in this Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer, and not of any member, director, officer, employee or agent of the Issuer or any natural person executing this Agreement on behalf of the Issuer in such person's individual capacity, and no recourse shall be had for any reason whatsoever hereunder against any member, director, officer, employee or agent of the Issuer or any natural person executing this Agreement on behalf of the Issuer. No recourse shall be had for the payment of the principal of, redemption premium, if any, Sinking Fund Installments for, Purchase Price or interest on the Bonds or for any claim based thereon or hereunder against any member, director, officer, employee or agent of the Issuer or any natural person executing the Bonds. In addition, in the performance of the agreements of the Issuer herein contained, any obligation the Issuer may incur for the payment of money shall not subject the Issuer to any pecuniary or other liability or create a debt of the State or the City, and neither the State nor the City shall be liable on any obligation so incurred and any such obligation shall be payable solely out of amounts payable to the Issuer by the Institution hereunder and under the Promissory Note.

Section 12.15 Legal Counsel; Mutual Drafting. Each party acknowledges that this Agreement is a legally binding contract and that it was represented by legal counsel in connection with the drafting, negotiation and preparation of this Agreement. Each party acknowledges that it and its legal counsel has cooperated in the drafting, negotiation and preparation of this Agreement and agrees that this Agreement and any provision hereof shall be construed, interpreted and enforced without regard to any presumptions against the drafting party. Each party hereby agrees to waive any rule, doctrine or canon of law, including without limitation, the *contra preferentum* doctrine, that would require interpretation of any ambiguities in this Agreement against the party that has drafted it.

Section 12.16 Control by Bondholder Representative. Notwithstanding any other provision to the contrary, any discretionary action on the part of the Trustee contained herein or in any Project Document, including, without limitation, any consent or waiver hereunder or thereunder, shall require the prior written consent of the Bondholder Representative, and the Trustee hereby agrees to take such action, or refrain from taking such action, upon the written direction of the Bondholder Representative. Notwithstanding the foregoing, the Trustee shall not be required to take any such action at the direction of the Bondholder Representative unless the Bondholder Representative provides indemnification to the Trustee as provided in Section 9.02 of the Indenture.

IN WITNESS WHEREOF, the Issuer has caused its corporate name to be subscribed unto this Loan Agreement by its duly authorized Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel and the Institution has caused its name to be hereunto subscribed by its duly Authorized Representative, all being done as of the year and day first above written.

BUILD NYC RESOURCE CORPORATION

By:_____
Krishna Omolade
Deputy Executive Director

FRIENDS OF HEBREW PUBLIC BORROWER, LLC, a Delaware limited liability company

By:_____
Jon Rosenberg
Chair

STATE OF NEW YORK)
: ss.:
.COUNTY OF NEW YORK)

On the ___ day of August, in the year 2018, before me, the undersigned, personally appeared **Krishna Omolade**, 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 the instrument.

_____
Notary Public/Commissioner of Deeds

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On the _____ day of August, in the year two thousand eighteen, before me, the undersigned, personally appeared **Jon Rosenberg**, 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 the behalf of whom the individual acted, executed the instrument

_____
Notary Public/Commissioner of Deeds

APPENDICES

EXHIBIT A

DESCRIPTION OF THE LAND

EXHIBIT B

DESCRIPTION OF THE FACILITY PERSONALTY

The acquisition of fixtures and other equipment for incorporation and/or use at the building located at 166 Kings Highway, Brooklyn, New York 11223 (Block 6619 Lot 42), financed with the proceeds of the Build NYC Resource Corporation Revenue Bonds, Series 2018 (Friends of Hebrew Public Borrower, LLC Project).

EXHIBIT C

AUTHORIZED REPRESENTATIVE

Name	Title	Signature
Jon Rosenberg	Chair	_____
Elly Rosenthal	Secretary/Treasurer	_____

EXHIBIT D

PRINCIPALS OF THE INSTITUTION

Name	Title
Jon Rosenberg	Chair
Elly Rosenthal	Secretary/Treasurer

EXHIBIT E

PROJECT COST BUDGET

	Bond Proceeds	Funds of Institution	Total
Land and Building Acquisition	$9,718,524	$0	$9,718,524
Renovation/Building Improvements/ Equipment	$19,169,915	$0	$19,169,915
Fees/Other Soft Costs	$7,121,562	$0	$7,121,562
Total	$36,010,000	$0	$36,010,000

EXHIBIT F

FORM OF REQUIRED DISCLOSURE STATEMENT

The undersigned, an authorized representative of _____, a _____ organized and existing under the laws of the State of _____, DOES HEREBY CERTIFY, REPRESENT AND WARRANT to Build NYC Resource Corporation (the "Issuer") pursuant to [Section 8.31] [Section 8.20] [Section 8.9] of that certain Loan Agreement, dated as of September 1, 2018 between the Issuer and Friends of Hebrew Public Borrower, LLC, a limited liability company organized and existing under the laws of the State of Delaware that is a disregarded entity for federal tax purposes (the "Loan Agreement") THAT:

[if being delivered pursuant to 8.31 of the Loan Agreement] None of the Entity, any of the Principals of such Entity, or any Person that directly or indirectly Controls, is Controlled by, or is under common Control with such Entity:

[if being delivered pursuant to 8.20 of the Loan Agreement] None of the surviving, resulting or transferee Entity, any of the Principals of such Entity, or any Person that directly or indirectly Controls, is Controlled by, or is under common Control with such Entity:

[if being delivered pursuant to 8.9 of the Loan Agreement] None of the assignee, transferee or lessee Entity, any of the Principals of such Entity, or any Person that directly or indirectly Controls, is Controlled by, or is under common Control with such Entity:

(1) is in default or in breach, beyond any applicable grace period, of its obligations under any written agreement with the Issuer, the NYCIDA, the NYCEDC or the City, unless such default or breach has been waived in writing by the Issuer, the NYCIDA, the NYCEDC or the City, as the case may be;

(2) has been convicted of a misdemeanor related to truthfulness and/or business conduct in the past five (5) years;

(3) has been convicted of a felony in the past ten (10) years;

(4) has received formal written notice from a federal, state or local governmental agency or body that such Person is currently under investigation for a felony criminal offense; or

(5) has received written notice of default in the payment to the City of any taxes, sewer rents or water charges, which have not been paid, unless such default is currently being contested with due diligence in proceedings in court or other appropriate forum.

As used herein, the following capitalized terms shall have the respective meanings set forth below:

"City" shall mean The City of New York.

"Control" or "Controls" shall mean the power to direct the management and policies of a Person (x) through the ownership, directly or indirectly, of not less than a majority of its voting securities, (y) through the right to designate or elect not less than a majority of the members of its board of directors or trustees or other Governing Body, or (z) by contract or otherwise.

"Entity" shall mean any of a corporation, general partnership, limited liability company, limited liability partnership, joint stock company, trust, estate, unincorporated organization, business association, tribe, firm, joint venture, governmental authority or governmental instrumentality, but shall not include an individual.

"Governing Body" shall mean, when used with respect to any Person, its board of directors, board of trustees or individual or group of individuals by, or under the authority of which, the powers of such Person are exercised.

"NYCEDC" shall mean New York City Economic Development Corporation, a New York not-for-profit corporation, and any successor thereof.

"NYCIDA" shall mean the New York City Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State, duly organized and existing under the laws of the State, and any body, board, authority, agency or other governmental agency or instrumentality which shall hereafter succeed to the powers, duties, obligations and functions thereof.

"Person" shall mean an individual or any Entity.

"Principal(s)" shall mean, with respect to any Entity, the most senior three officers of such Entity, any Person with a ten percent (10%) or greater ownership interest in such Entity, and any Person as shall have the power to Control such Entity, and "principal" shall mean any of such Persons.

IN WITNESS WHEREOF, the undersigned has hereunto set its hand this ____ day of _____, 20__.

[NAME OF CERTIFYING ENTITY]

By:_____
Name:
Title:

EXHIBIT G

FORM OF
PROJECT COMPLETION CERTIFICATE OF INSTITUTION
AS REQUIRED BY SECTIONS 3.2(f) AND 8.14(g)
OF THE LOAN AGREEMENT

The undersigned, an Authorized Representative (as defined in the Loan Agreement referred to below) of Friends of Hebrew Public Borrower, LLC, a limited liability company organized and existing under the laws of the State of Delaware that is a disregarded entity for federal tax purposes (the "Institution"), HEREBY CERTIFIES that this Certificate is being delivered in accordance with the provisions of Section 3.2(f) and 8.14(g) of that certain Loan Agreement, dated as of September 1, 2018 (the "Loan Agreement"), between Build NYC Resource Corporation (the "Issuer") and the Institution, and FURTHER CERTIFIES THAT (capitalized terms used but not defined herein shall have the respective meanings assigned to such terms in the Loan Agreement):

(i) the Project Work is finished and has been completed substantially in accordance with the plans and specifications therefor;

(ii) attached hereto is a copy of one of the following (check only one and attach a copy of the indicated document):

☐ certificate of occupancy, or

☐ temporary certificate of occupancy, or

☐ amended certificate of occupancy, or

☐ letter of no objection;

(iii) there is no certificate, license, permit, written approval or consent or other document required to permit the occupancy, operation and use of the Facility as the Approved Facility that has not already been obtained or received, except for such certificates, licenses, permits, authorizations, written approvals and consents that will be obtained in the ordinary course of business and the issuance of which are ministerial in nature;

(iv) the Facility is ready for occupancy, use and operation for the Approved Project Operations in accordance with all applicable laws, regulations, ordinances and guidelines;

(v) check as applicable:

☐ all costs for Project Work have been paid, or

☐ all costs for Project Work have been paid except for

☐ amounts not yet due and payable (attach itemized list) and/or

☐ amounts the payments for which are being contested in good faith (attach itemized list with explanations); and

(vi) releases of mechanics' liens have been obtained from the general contractor and from all contractors and materialmen who supplied work, labor, services, machinery, equipment, materials or supplies in connection with the Project Work, except for releases-of-liens pertinent to (y) amounts not yet due and payable, or (z) any amount the payment of which is being contested in good faith; copies of all such releases of mechanics' liens are attached hereto.

[ATTACH to this Certificate copies of all such releases of liens.]

Notwithstanding anything herein or elsewhere that may be inferred to the contrary, the undersigned hereby understands and agrees on behalf of the Institution as follows: (a) the Issuer does not waive its right to require delivery of releases-of-liens in connection with the costs of Project Work; (b) the Issuer does not waive its right under the Loan Agreement to demand the discharge of mechanics' and materialmens' liens encumbering the Facility Realty, whether by bond or otherwise; and (c) the Certificate shall be deemed incomplete if, in the Issuer's sole discretion, the Institution has unreasonably failed to bond or otherwise discharge any liens in respect of the costs of Project Work when payment for the same is due.

This Certificate is given without prejudice to any rights of the Institution against third parties existing on the date hereof or which may subsequently come into being and no Person other than the Issuer may benefit from this Certificate.

IN WITNESS WHEREOF, the undersigned has hereunto set its hand this _____ day of _____, ____.

FRIENDS OF HEBREW PUBLIC BORROWER, LLC

By:_____
Name:
Title:

EXHIBIT H-1

AFTER THE ENDORSEMENT AS HEREON PROVIDED AND PLEDGE OF THIS PROMISSORY NOTE, THIS PROMISSORY NOTE MAY NOT BE ASSIGNED, PLEDGED, ENDORSED OR OTHERWISE TRANSFERRED EXCEPT TO AN ASSIGNEE OR SUCCESSOR OF THE TRUSTEE IN ACCORDANCE WITH THE INDENTURE, BOTH OF WHICH ARE REFERRED TO HEREIN.

$34,030,000 September 6, 2018

PROMISSORY NOTE

FOR VALUE RECEIVED, FRIENDS OF HEBREW PUBLIC BORROWER, LLC, a limited liability company organized and existing under the laws of the State of Delaware that is a disregarded entity for federal tax purposes (the "Borrower"), by this promissory note hereby promises to pay to the order of BUILD NYC RESOURCE CORPORATION (the "Issuer") and THE BANK OF NEW YORK MELLON, as Trustee (the "Trustee"), the principal sum of Thirty-Four Million Thirty Thousand and NO/100 Dollars ($34,030,000), together with interest on the unpaid principal amount hereof, from the date of the issuance and delivery of the Series 2018A Bonds (as such term is hereinafter defined) until paid in full, at a rate per annum equal to the respective rates of interest borne from time to time by the Series 2018A Bonds, together with all Sinking Fund Installments and Redemption Price payments as and when due. All capitalized terms used but not defined in this Promissory Note shall have the respective meanings assigned such terms by the Indenture (as hereinafter defined) or by the Loan Agreement (as hereinafter defined). All such payments shall be made in funds which shall be immediately available on the due date of such payments and in lawful money of the United States of America and shall be paid at the designated corporate trust office of the Trustee or its successor under the Indenture.

The principal amount, interest, Sinking Fund Installments and Redemption Price shall be payable on the dates and in the amounts that principal of, interest, Sinking Fund Installments and Redemption Price on the Initial Bonds are payable under the Loan Agreement (as defined below), subject to prepayments and credits to the extent provided in the Indenture and the Loan Agreement.

This promissory note is the "Series 2018A Promissory Note" referred to in the Loan Agreement, dated as of September 1, 2018 (as the same may be amended or supplemented, the "Loan Agreement"), between the Borrower and the Issuer, the terms, conditions and provisions of which are hereby incorporated by reference.

This Series 2018A Promissory Note and the payments required to be made hereunder are irrevocably assigned, without recourse, representation or warranty, and pledged to the Trustee under the Indenture of Trust, dated as of September 1, 2018 (as the same may be amended or supplemented, the "Indenture"), by and between the Issuer and the Trustee, and such payments will be made directly to the Trustee for the account of the Issuer pursuant to such assignment. Such assignment is made as security for the payment of the Issuer's $34,030,000 in aggregate principal amount of Revenue Bonds, Series 2018A (Friends of Hebrew Public Borrower, LLC Project) (the "Series 2018A Bonds") issued by the Issuer pursuant to the Indenture. All the terms,

conditions and provisions of the Indenture, the Loan Agreement and the Series 2018A Bonds are hereby incorporated as a part of this Series 2018A Promissory Note.

The Borrower may at its option, and may under certain circumstances be required to, prepay together with accrued interest, all or any part of the amounts due under this Series 2018A Promissory Note, as provided in the Loan Agreement and the Indenture.

Presentation, demand, protest and notice of dishonor are hereby expressly waived by the Borrower.

The Borrower hereby promises to pay costs of collection and attorneys' fees in case of default on this Series 2018A Promissory Note.

(Remainder of Page Intentionally Left Blank – Signature Page Follows)

This Series 2018A Promissory Note shall be governed by, and construed in accordance with, the laws of the State of New York without regard to conflicts of law principles thereof.

FRIENDS OF HEBREW PUBLIC BORROWER, LLC

By:_____
Name: Jon Rosenberg
Title: Chair

ENDORSEMENT

Pay to the order of The Bank of New York Mellon, without recourse, as Trustee under the Indenture referred to in the within mentioned Loan Agreement, as security for the 2018A Bonds issued under such Indenture. This endorsement is given without any warranty as to the authority or genuineness of the signature of the maker of the Series 2018A Promissory Note.

BUILD NYC RESOURCE CORPORATION

By:_____
Krishna Omolade
Deputy Executive Director

Dated: September 6, 2018

EXHIBIT H-2

AFTER THE ENDORSEMENT AS HEREON PROVIDED AND PLEDGE OF THIS PROMISSORY NOTE, THIS PROMISSORY NOTE MAY NOT BE ASSIGNED, PLEDGED, ENDORSED OR OTHERWISE TRANSFERRED EXCEPT TO AN ASSIGNEE OR SUCCESSOR OF THE TRUSTEE IN ACCORDANCE WITH THE INDENTURE, BOTH OF WHICH ARE REFERRED TO HEREIN.

$1,980,000 September 6, 2018

PROMISSORY NOTE

FOR VALUE RECEIVED, FRIENDS OF HEBREW PUBLIC BORROWER, LLC, a limited liability company organized and existing under the laws of the State of Delaware that is a disregarded entity for federal tax purposes (the "Borrower"), by this promissory note hereby promises to pay to the order of BUILD NYC RESOURCE CORPORATION (the "Issuer") and THE BANK OF NEW YORK MELLON, as Trustee (the "Trustee"), the principal sum of One Million Nine Hundred Eighty Thousand and No/100 Dollars ($1,980,000), together with interest on the unpaid principal amount hereof, from the date of the issuance and delivery of the Series 2018B Bonds (as such term is hereinafter defined) until paid in full, at a rate per annum equal to the respective rates of interest borne from time to time by the Series 2018B Bonds, together with all Sinking Fund Installments and Redemption Price payments as and when due. All capitalized terms used but not defined in this Promissory Note shall have the respective meanings assigned such terms by the Indenture (as hereinafter defined) or by the Loan Agreement (as hereinafter defined). All such payments shall be made in funds which shall be immediately available on the due date of such payments and in lawful money of the United States of America and shall be paid at the designated corporate trust office of the Trustee or its successor under the Indenture.

The principal amount, interest, Sinking Fund Installments and Redemption Price shall be payable on the dates and in the amounts that principal of, interest, Sinking Fund Installments and Redemption Price on the Initial Bonds are payable under the Loan Agreement (as defined below), subject to prepayments and credits to the extent provided in the Indenture and the Loan Agreement.

This promissory note is the "Series 2018B Promissory Note" referred to in the Loan Agreement, dated as of September 1, 2018 (as the same may be amended or supplemented, the "Loan Agreement"), between the Borrower and the Issuer, the terms, conditions and provisions of which are hereby incorporated by reference.

This Series 2018B Promissory Note and the payments required to be made hereunder are irrevocably assigned, without recourse, representation or warranty, and pledged to the Trustee under the Indenture of Trust, dated as of September 1, 2018 (as the same may be amended or supplemented, the "Indenture"), by and between the Issuer and the Trustee, and such payments will be made directly to the Trustee for the account of the Issuer pursuant to such assignment. Such assignment is made as security for the payment of the Issuer's $1,980,000 in aggregate principal amount of Taxable Revenue Bonds, Series 2018B (Friends of Hebrew Public Borrower, LLC Project) (the "Series 2018B Bonds") issued by the Issuer pursuant to the Indenture. All the

terms, conditions and provisions of the Indenture, the Loan Agreement and the Initial Bonds are hereby incorporated as a part of this Series 2018B Promissory Note.

The Borrower may at its option, and may under certain circumstances be required to, prepay together with accrued interest, all or any part of the amounts due under this Series 2018B Promissory Note, as provided in the Loan Agreement and the Indenture.

Presentation, demand, protest and notice of dishonor are hereby expressly waived by the Borrower.

The Borrower hereby promises to pay costs of collection and attorneys' fees in case of default on this Series 2018B Promissory Note.

(Remainder of Page Intentionally Left Blank)

This Series 2018B Promissory Note shall be governed by, and construed in accordance with, the laws of the State of New York without regard to conflicts of law principles thereof.

FRIENDS OF HEBREW PUBLIC BORROWER, LLC, a Delaware limited liability company

By:_____
Name: Jon Rosenberg
Title: Chair

ENDORSEMENT

Pay to the order of The Bank of New York Mellon, without recourse, as Trustee under the Indenture referred to in the within mentioned Loan Agreement, as security for the Series 2018B Bonds issued under such Indenture. This endorsement is given without any warranty as to the authority or genuineness of the signature of the maker of the Series 2018B Promissory Note.

BUILD NYC RESOURCE CORPORATION

By:_____
Krishna Omolade
Deputy Executive Director

Dated: September 6, 2018

EXHIBIT I

HireNYC

The Institution must collaborate with the New York City Department of Small Business Services or such other New York City agency as may be designated by NYCEDC in a notice to the Institution ("**Designated City Agency**"). The Designated City Agency will assist the Institution in implementing the HireNYC Program including the screening of candidates from the target population ("**Target Population**"), defined as persons who have an income that is below two hundred percent (200%) of the poverty level as determined by the New York City Center for Economic Opportunity (a description of the income level meeting this threshold for each household size is available at http://www.nyc.gov/html/ceo/downloads/pdf/ceo_poverty_measure_2005_2013.pdf). The HireNYC Program will be in effect for a period of eight (8) years from the Operations Commencement Date ("**HireNYC Program Term**").

The HireNYC Program will apply to the Institution, its successors and assigns, and to all tenants (which term also includes subtenants) at the Facility during the HireNYC Program Term.

I. Goals. The HireNYC Program includes, at a minimum, the following hiring and workforce development goals (collectively, the "**Goals**"):

Hiring Goal:	Fifty percent (50%) of all new permanent jobs created in connection with the Facility (including jobs created by tenants, but excluding jobs relocated from other sites) will be filled by members of the Target Population referred by the Designated City Agency for a period beginning, for each employer, at commencement of business operations and continuing through the end of the HireNYC Program Term. Notwithstanding the foregoing, the Hiring Goal shall only apply to hiring on occasions when the Institution (or a tenant) is hiring for five (5) or more permanent jobs.
Retention Goal:	Forty percent (40%) of all employees whose hiring satisfied the Hiring Goal will be retained for at least nine (9) months from date of hire.
Advancement Goal:	Thirty percent (30%) of all employees whose hiring satisfied the Hiring Goal will be promoted to a higher paid position within one (1) year of date of hire.
Training Goal:	Cooperation with NYCEDC and the Designated City Agency to provide skills-training or higher education opportunities to members of the Target Population.

II. Program Requirements. HireNYC Program includes all of the following requirements:

1. Designation of a workforce development liaison by the Institution to interact with NYCEDC and the Designated City Agency during the course of the HireNYC Program.

2. Commitment by the Institution to do the following:

   a. use good faith efforts to achieve the Goals;

   b. notify NYCEDC six (6) weeks prior to commencing business operations;

   c. with respect to initial hiring for any new permanent jobs associated with the commencement of business at the Facility (but only if initial hiring is for five (5) or more permanent jobs):

      (i) provide NYCEDC and the Designated City Agency with the approximate number and type of jobs that will become available, and for each job type a description of the basic job qualifications, at least three (3) months before commencing hiring; and

      (ii) consider only applicants referred by the Designated City Agency for the first ten (10) business days, until the Hiring Goal is achieved or until all open positions are filled, whichever occurs first;

   d. with respect to ongoing hiring on occasions when hiring for five (5) or more permanent jobs:

      (i) provide NYCEDC and the Designated City Agency with the approximate number and type of jobs that will become available, and for each job type a description of the basic job qualifications, at least one (1) month before commencing hiring or as soon as information is available, but in all cases not later than one (1) week before commencing hiring; and

      (ii) consider only applicants referred by the Designated City Agency for the first five business days, until the Hiring Goal is achieved or until all open positions are filled, whichever occurs first;

   e. notify NYCEDC thirty (30) days prior to execution of any tenant lease at the Facility;

   f. provide NYCEDC with one (1) electronic copy of all tenant leases at the project location within fifteen (15) days of execution;

   g. submit to NYCEDC an annual HireNYC Employment Report in the form provided by NYCEDC (or quarterly reports at the discretion of NYCEDC);

h. cooperate with annual site visits and, if requested by NYCEDC, employee satisfaction surveys relating to employee experience with the Institution's HireNYC Program;

i. provide information related to the HireNYC Program and the hiring process to NYCEDC upon request; and

j. allow information collected by NYCEDC and the Designated City Agency to be included in public communications, including press releases and other media events.

III. General Requirements. The following are general requirements of the HireNYC Program

1. The Institution is required to incorporate the terms of its HireNYC Program into all tenant leases obligating tenants to comply with the Goals and other requirements in the Institution's HireNYC Program to the same extent as the Institution is required to comply with such Goals and other requirements.

2. Enforcement. In the event NYCEDC determines that the Institution or any of its tenants has violated any of the HireNYC Program requirements, including, without limitation, a determination that the Institution or any of its tenants, has failed to use good faith efforts to fulfill the Goals, NYCEDC shall notify the Issuer of the violation and the Issuer may (1) assess liquidated damages set forth immediately below; and/or (2) assert any other right or remedy it has under the Agreement.

3. Liquidated Damages. If the Institution or any of its tenants, does any of the following:

(i) fail to comply with its obligations set forth in Section II(2) clauses (a)(with respect to the Hiring Goal), (c), and/or (d), and as a result the Designated City Agency was unable to refer applicants or participate in the hiring process as required by the program; or

(ii) fail to comply with its obligations set forth in Section II(2) clauses, (f), (g), (h), (i), and/or (j) and such failure shall continue for a period of thirty (30) days after receipt of notice from NYCEDC,

then, in the case of clause (i), the Issuer may assess liquidated damages in the amount of $2,500 for each position for which the Designated City Agency was unable to refer applicants or otherwise participate in hiring as required by the program; and in the case of clause (ii), the Issuer may assess damages for breach of each requirement in the amount of $1,000. In view of the difficulty of accurately ascertaining the loss which the Issuer will suffer by reason of the Institution's failure to comply with Program requirements, the foregoing amounts are hereby fixed and agreed as the liquidated damages that the Issuer will suffer by reason of such failure, and not as a penalty. The Institution shall be liable for and shall pay to the Issuer all damages assessed against the Institution or any of its tenants at the project upon receipt of demand from the Issuer.

EXHIBIT J

FORM OF LW AGREEMENT

LIVING WAGE AGREEMENT

This LIVING WAGE AGREEMENT (this "Agreement") is made as of [_____], by [_____] ("Obligor") in favor of Institution, the Issuer, the City, the DCA and the Comptroller (each as defined below) (each, an "Obligee"). In consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Obligor hereby covenants and agrees as follows:

1. Definitions. As used herein the following capitalized terms shall have the respective meanings specified below.

"Affiliate" means, with respect to a given Person, any other Person that directly or indirectly through one or more intermediaries Controls, is Controlled by, or is under common Control with such given Person.

"Asserted Cure" has the meaning specified in paragraph 10(a).

"Asserted LW Violation" has the meaning specified in paragraph 10(a).

"City" means The City of New York.

"Comptroller" means the Comptroller of The City of New York or his or her designee.

"Concessionaire" means a Person that has been granted the right by Institution, an Affiliate of Institution or any tenant, subtenant, leaseholder or subleaseholder of Institution or of an Affiliate of Institution to operate at the Facility for the primary purpose of selling goods or services to natural persons at the Facility.

"Control" or "Controls", including the related terms "Controlled by" and "under common Control with", means the power to direct the management and policies of a Person (a) through the ownership, directly or indirectly, of not less than a majority of its voting equity, (b) through the right to designate or elect not less than a majority of the members of its board of directors, board of managers, board of trustees or other governing body, or (c) by contract or otherwise.

"Covered Counterparty" means a Covered Employer whose Specified Contract is directly with Obligor or an Affiliate of Obligor to lease, occupy, operate or perform work at the Obligor Facility.

"Covered Employer" means any of the following Persons: (a) Obligor, (b) a tenant, subtenant, leaseholder or subleaseholder of Obligor that leases any portion of the Obligor Facility (or an Affiliate of any such tenant, subtenant, leaseholder or subleaseholder if such

Affiliate has one or more direct Site Employees), (c) a Concessionaire that operates on any portion of the Obligor Facility, and (d) a Person that contracts or subcontracts with any Covered Employer described in clauses (a), (b) or (c) above to perform work for a period of more than ninety days on any portion of the Obligor Facility, including temporary services or staffing agencies, food service contractors, and other on-site service contractors; provided, however, that the term "Covered Employer" shall not include (i) a Person of the type described in Section 6-134(d)(2), (3), (4) or (5) of the New York City Administrative Code, (ii) a Person that has annual consolidated gross revenues that are less than the Small Business Cap unless the revenues of the Person are included in the consolidated gross revenues of a Person having annual consolidated gross revenues that are more than the Small Business Cap, in each case calculated based on the fiscal year preceding the fiscal year in which the determination is being made, and in each case calculated in accordance with generally accepted accounting principles, (iii) any otherwise covered Person operating on any portion of the Obligor Facility if residential units comprise more than 75% of the total Facility area and all of the residential units are subject to rent regulation, (iv) any otherwise covered Person that the Issuer has determined (in its sole and absolute discretion) in writing to be exempt on the basis that it works significantly with a Qualified Workforce Program, (v) a Person whose Site Employees all are paid wages determined pursuant to a collective bargaining or labor agreement, (vi) if Institution is a "covered developer" under and as defined in the Prevailing Wage Law, a Person that is a "building services contractor" (as defined in the LW Law) so long as such Person is paying its "building service employees" (as defined in the Prevailing Wage Law) no less than the applicable "prevailing wage" (as defined in the Prevailing Wage Law), or (vii) a Person exempted by a Deputy Mayor of The City of New York in accordance with the Mayor's Executive Order No. 7 dated September 30, 2014.

"DCA" means the Department of Consumer Affairs of The City of New York, acting as the designee of the Mayor of The City of New York, or such other agency or designee that the Mayor of The City of New York may designate from time to time.

"Facility" means the land and real property improvements located at 166 Kings Highway, Brooklyn, New York 11223 (Block 6619 Lot 42).

"Institution" means Friends of Hebrew Public Borrower, LLC, a limited liability company organized and existing under the laws of the State of Delaware that is a disregarded entity for federal tax purposes, having its principal office at 555 8th Avenue, Suite 1703, New York, New York 10018, or its permitted successors or assigns as Institution under the Project Agreement.

"Issuer" means Build NYC Resource Corporation, a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State of New York at the direction of the Mayor of The City of New York, having its principal office at 110 William Street, New York, New York 10038.

"LW" has the same meaning as the term "living wage" as defined in Section 6-134(b)(9) of the New York City Administrative Code and shall be adjusted annually in accordance therewith, except that as of April 1, 2015, the "living wage rate" component of

the LW shall be eleven dollars and sixty-five cents per hour ($11.65/hour) and the "health benefits supplement rate" component of the LW shall be one dollar and sixty-five cents per hour ($1.65/hour). The annual adjustments to the "living wage rate" and "health benefits supplement rate" will be announced on or around January 1 of each year by the DCA and will go into effect on April 1 of such year.

"LW Agreement" means, with respect to any Covered Counterparty, an enforceable agreement in the form attached hereto as Attachment 1 (except only with such changes as are necessary to make such Covered Counterparty the obligor thereunder).

"LW Agreement Delivery Date" means, with respect to any Covered Counterparty, the latest of (a) the effective date of such Covered Counterparty's Specified Contract, (b) the date that such Covered Counterparty becomes a Covered Employer at the Obligor Facility and (c) the date of this Agreement.

"LW Law" means the Fair Wages for New Yorkers Act, constituting Section 6-134 of the New York City Administrative Code, as amended, supplemented or otherwise modified from time to time, and all rules and regulations promulgated thereunder.

"LW Term" means the period commencing on the date of this Agreement and ending on the date that is the earlier to occur of: (a) the later to occur of (i) the date on which Institution is no longer receiving financial assistance under the Project Agreement or (ii) the date that is ten years after the Facility commences operations; or (b) the end of the term of Obligor's Specified Contract (including any renewal or option terms pursuant to any exercised options), whether by early termination or otherwise.

"LW Violation Final Determination" has the meaning specified in paragraph 10(a)(i), paragraph 10(a)(ii)(1) or paragraph 10(a)(ii)(2), as applicable.

"LW Violation Initial Determination" has the meaning specified in paragraph 10(a)(ii).

"LW Violation Notice" has the meaning specified in paragraph 10(a).

"LW Violation Threshold" means $100,000 multiplied by 1.03^n, where "n" is the number of full years that have elapsed since January 1, 2015.

"Obligor Facility" means the applicable portion of the Facility covered by the Specified Contract of Obligor.

"Operational Date" means the date that Obligor commences occupancy, operations or work at the Obligor Facility.

"Owed Interest" means the interest accruing on Owed Monies, which interest shall accrue from the relevant date(s) of underpayment to the date that the Owed Monies are paid, at a rate equal to the interest rate then in effect as prescribed by the superintendent of banks pursuant to Section 14-a of the New York State Banking Law, but in any event at a rate no less than six percent per year.

"Owed Monies" means, as the context shall require, either (a) the total deficiency of LW required to be paid by Obligor in accordance with this Agreement to its direct Site Employee(s) after taking into account the wages actually paid (which shall be credited towards the "living wage rate" component of the LW), and the monetary value of health benefits actually provided (which shall be credited towards the "health benefits supplement rate" component of the LW), to such direct Site Employee(s), all as calculated on a per pay period basis; or (b) if Obligor failed to obtain a LW Agreement from a Covered Counterparty as required under paragraph 5 below, the total deficiency of LW that would have been required to be paid under such Covered Counterparty's LW Agreement to its direct Site Employee(s) after taking into account the wages actually paid (which shall be credited towards the "living wage rate" component of the LW), and the monetary value of health benefits actually provided (which shall be credited towards the "health benefits supplement rate" component of the LW), to such direct Site Employee(s), all as calculated on a per pay period basis, during the period commencing on the LW Agreement Delivery Date applicable to such Covered Counterparty and ending immediately prior to the execution and delivery by such Covered Counterparty of its LW Agreement (if applicable).

"Person" means any natural person, sole proprietorship, partnership, association, joint venture, limited liability company, corporation, governmental authority, governmental agency, governmental instrumentality or any form of doing business.

"Pre-Existing Covered Counterparty" has the meaning specified in paragraph 5.

"Pre-Existing Specified Contract" has the meaning specified in paragraph 5.

"Prevailing Wage Law" means Section 6-130 of the New York City Administrative Code, as amended, supplemented or otherwise modified from time to time, and all rules and regulations promulgated thereunder.

"Project Agreement" means that certain Loan Agreement, dated as of September 1, 2018 between the Issuer and the Institution (as amended, restated, supplemented or otherwise modified from time to time), pursuant to which Institution has or will receive financial assistance from the Issuer.

"Qualified Workforce Program" means a training or workforce development program that serves youth, disadvantaged populations or traditionally hard-to-employ populations and that has been determined to be a Qualified Workforce Program by the Director of the Mayor's Office of Workforce Development.

"Site Employee" means, with respect to any Covered Employer, any natural person who works at the Obligor Facility and who is employed by, or contracted or subcontracted to work for, such Covered Employer, including all employees, independent contractors, contingent workers or contracted workers (including persons made available to work through the services of a temporary services, staffing or employment agency or similar entity) that are performing work on a full-time, part-time, temporary or seasonal basis; provided that the term "Site Employee" shall not include any natural person who works less than seventeen and a half (17.5) hours in any consecutive seven day period at the

Obligor Facility unless the primary work location or home base of such person is at the Obligor Facility (for the avoidance of doubt, a natural person who works at least seventeen and a half (17.5) hours in any consecutive seven day period at the Obligor Facility shall thereafter constitute a Site Employee).

"Small Business Cap" means three million dollars; provided that, beginning in 2015 and each year thereafter, the Small Business Cap shall be adjusted contemporaneously with the adjustment to the "living wage rate" component of the LW using the methodology set forth in Section 6-134(b)(9) of the New York City Administrative Code.

"Specified Contract" means (a) in the case of Obligor, the [_____], dated as of [_____], by and between Obligor and [_____], or (b) in the case of any other Person, the principal written contract that makes such Person a Covered Employer hereunder.

2. Commencing on the Operational Date and thereafter during the remainder of the LW Term, if and for so long as Obligor is a Covered Employer, Obligor shall pay each of its direct Site Employees no less than an LW.

3. Commencing on the Operational Date and thereafter during the remainder of the LW Term, if and for so long as Obligor is a Covered Employer, Obligor shall, on or prior to the day on which each direct Site Employee of Obligor begins work at the Obligor Facility, (a) post a written notice detailing the wages and benefits required to be paid to Site Employees under this Agreement in a conspicuous place at the Obligor Facility that is readily observable by such direct Site Employee and (b) provide such direct Site Employee with a written notice detailing the wages and benefits required to be paid to Site Employees under this Agreement. Such written notice shall also provide a statement advising Site Employees that if they have been paid less than the LW they may notify the Comptroller and request an investigation. Such written notice shall be in English and Spanish.

4. Commencing on the Operational Date and thereafter during the remainder of the LW Term, if and for so long as Obligor is a Covered Employer, Obligor shall not take any adverse employment action against any Site Employee for reporting or asserting a violation of this Agreement.

5. During the LW Term, Obligor shall cause each Covered Counterparty to execute an LW Agreement on or prior to the LW Agreement Delivery Date applicable to such Covered Counterparty; provided that Obligor shall only be required to use commercially reasonable efforts (without any obligation to commence any action or proceedings) to obtain an LW Agreement from a Covered Counterparty whose Specified Contract with Obligor was entered into prior to the date hereof (a "Pre-Existing Covered Counterparty" and a "Pre-Existing Specified Contract"). Prior to the renewal or extension of any Pre-Existing Specified Contract (or prior to entering into a new Specified Contract with a Pre-Existing Covered Counterparty), Obligor shall cause or otherwise require the Pre-Existing Covered Counterparty to execute an LW Agreement, provided that the foregoing shall not preclude Obligor from renewing or extending a Pre-Existing Specified Contract pursuant to any renewal or extension options granted to the Pre-Existing Covered Counterparty in the Pre-Existing Specified Contract as such option exists as of the date hereof. Obligor shall deliver a copy of each Covered

Counterparty's LW Agreement to the Issuer, the DCA and the Comptroller at the notice address specified in paragraph 12 below and promptly upon written request. Obligor shall retain copies of each Covered Counterparty's LW Agreement until six (6) years after the expiration or earlier termination of such Covered Counterparty's Specified Contract.

6. Commencing on the Operational Date and thereafter during the remainder of the LW Term, in the event that an individual with managerial authority at Obligor receives a written complaint from any Site Employee (or such individual otherwise obtains actual knowledge) that any Site Employee has been paid less than an LW, Obligor shall deliver written notice to the Issuer, the DCA and the Comptroller within 30 days thereof.

7. Obligor hereby acknowledges and agrees that the Issuer, the City, the DCA and the Comptroller are each intended to be direct beneficiaries of the terms and provisions of this Agreement. Obligor hereby acknowledges and agrees that the DCA, the Comptroller and the Issuer shall each have the authority and power to enforce any and all provisions and remedies under this Agreement in accordance with paragraph 10 below. Obligor hereby agrees that the DCA, the Comptroller and the Issuer may, as their sole and exclusive remedy for any violation of Obligor's obligations under this Agreement, bring an action for damages (but not in excess of the amounts set forth in paragraph 10 below), injunctive relief or specific performance or any other non-monetary action at law or in equity, in each case subject to the provisions of paragraph 10 below, as may be necessary or desirable to enforce the performance or observance of any obligations, agreements or covenants of Obligor under this Agreement. The agreements and acknowledgements of Obligor set forth in this Agreement may not be amended, modified or rescinded by Obligor without the prior written consent of the Issuer or the DCA.

8. No later than 30 days after Obligor's receipt of a written request from the Issuer, the DCA and/or the Comptroller, Obligor shall provide to the Issuer, the DCA and the Comptroller (a) a written list of all Covered Counterparties, together with the LW Agreements of such Covered Counterparties. From and after the Operational Date, no later than 30 days after Obligor's receipt of a written request from the Issuer, the DCA and/or the Comptroller, Obligor shall provide to the Issuer, the DCA and the Comptroller (b) a certification stating that all of the direct Site Employees of Obligor are paid no less than an LW and stating that Obligor is in compliance with this Agreement in all material respects, (c) certified payroll records in respect of the direct Site Employees of Obligor, and/or (d) any other documents or information reasonably related to the determination of whether Obligor is in compliance with its obligations under this Agreement.

9. From and after the Operational Date, Obligor shall, annually by August 1 of each year during the LW Term, submit to Institution such data in respect of employment, jobs and wages at the Obligor Facility as of June 30 of such year that is needed by Institution for it to comply with its reporting obligations under the Project Agreement.

10. Violations and Remedies.

    (a) If a violation of this Agreement shall have been alleged by the Issuer, the DCA and/or the Comptroller, then written notice will be provided to Obligor for such

alleged violation (an "LW Violation Notice"), specifying the nature of the alleged violation in such reasonable detail as is known to the Issuer, the DCA and the Comptroller (the "Asserted LW Violation") and specifying the remedy required under paragraph 10(b), (c), (d), (e) and/or (f) (as applicable) to cure the Asserted LW Violation (the "Asserted Cure"). Upon Obligor's receipt of the LW Violation Notice, Obligor may either:

(i) Perform the Asserted Cure no later than 30 days after its receipt of the LW Violation Notice (in which case a "LW Violation Final Determination" shall be deemed to exist), or

(ii) Provide written notice to the Issuer, the DCA and the Comptroller indicating that it is electing to contest the Asserted LW Violation and/or the Asserted Cure, which notice shall be delivered no later than 30 days after its receipt of the LW Violation Notice. Obligor shall bear the burdens of proof and persuasion and shall provide evidence to the DCA no later than 45 days after its receipt of the LW Violation Notice. The DCA shall then, on behalf of the City, the Issuer and the Comptroller, make a good faith determination of whether the Asserted LW Violation exists based on the evidence provided by Obligor and deliver to Obligor a written statement of such determination in reasonable detail, which shall include a confirmation or modification of the Asserted LW Violation and Asserted Cure (such statement, a "LW Violation Initial Determination"). Upon Obligor's receipt of the LW Violation Initial Determination, Obligor may either:

(1) Accept the LW Violation Initial Determination and shall perform the Asserted Cure specified in the LW Violation Initial Determination no later than 30 days after its receipt of the LW Violation Initial Determination (after such 30 day period has lapsed, but subject to clause (2) below, the LW Violation Initial Determination shall be deemed to be a "LW Violation Final Determination"), or

(2) Contest the LW Violation Initial Determination by filing in a court of competent jurisdiction or for an administrative hearing no later than 30 days after its receipt of the LW Violation Initial Determination, in which case, Obligor's obligation to perform the Asserted Cure shall be stayed pending resolution of the action. If no filing in a court of competent jurisdiction or for an administrative hearing is made to contest the LW Violation Initial Determination within 30 days after Obligor's receipt thereof, then the LW Violation Initial Determination shall be deemed to be a "LW Violation Final Determination". If such a filing is made, then a "LW Violation Final Determination" will be deemed

to exist when the matter has been finally adjudicated. Obligor shall perform the Asserted Cure (subject to the judicial decision) no later than 30 days after the LW Violation Final Determination.

(b) For the first LW Violation Final Determination imposed on Obligor in respect of any direct Site Employees of Obligor, at the direction of the Issuer or the DCA (but not both), (i) Obligor shall pay the Owed Monies and Owed Interest in respect of such direct Site Employees of Obligor to such direct Site Employees; and/or (ii) in the case of a violation that does not result in monetary damages owed by Obligor, Obligor shall cure, or cause the cure of, such non-monetary violation

(c) For the second and any subsequent LW Violation Final Determinations imposed on Obligor in respect of any direct Site Employees of Obligor, at the direction of the Issuer or the DCA (but not both), (i) Obligor shall pay the Owed Monies and Owed Interest in respect of such direct Site Employees of Obligor to such direct Site Employees, and Obligor shall pay fifty percent (50%) of the total amount of such Owed Monies and Owed Interest to the DCA as an administrative fee; and/or (ii) in the case of a violation that does not result in monetary damages owed by Obligor, Obligor shall cure, or cause the cure of, such non-monetary violation.

(d) For the second and any subsequent LW Violation Final Determinations imposed on Obligor in respect of any direct Site Employees of Obligor, if the aggregate amount of Owed Monies and Owed Interest paid or payable by Obligor in respect of its direct Site Employees is in excess of the LW Violation Threshold for all past and present LW Violation Final Determinations imposed on Obligor, then in lieu of the remedies specified in subparagraph (c) above and at the direction of the Issuer or the DCA (but not both), Obligor shall pay (i) two hundred percent (200%) of the Owed Monies and Owed Interest in respect of the present LW Violation Final Determination to the affected direct Site Employees of Obligor, and (ii) fifty percent (50%) of the total amount of such Owed Monies and Owed Interest to the DCA as an administrative fee.

(e) If Obligor fails to obtain an LW Agreement from its Covered Counterparty in violation of paragraph 5 above, then at the discretion of the Issuer or the DCA (but not both), Obligor shall be responsible for payment of the Owed Monies, Owed Interest and other payments described in subparagraphs (b), (c) and (d) above (as applicable) as if the direct Site Employees of such Covered Counterparty were the direct Site Employees of Obligor.

(f) Obligor shall not renew the Specified Contract of any specific Covered Counterparty or enter into a new Specified Contract with any specific Covered Counterparty if both (i) the aggregate amount of Owed Monies and Owed Interest paid or payable by such Covered Counterparty in respect of its direct Site Employees for all past and present LW Violation Final Determinations (or that would have been payable had such Covered Counterparty entered into an LW Agreement) is in excess of the LW Violation Threshold and (ii) two or more LW

Violation Final Determinations against such Covered Counterparty (or in respect of the direct Site Employees of such Covered Counterparty) occurred within the last 6 years of the term of the applicable Specified Contract (or if the term thereof is less than 6 years, then during the term thereof); provided that the foregoing shall not preclude Obligor from extending or renewing a Specified Contract pursuant to any renewal or extension options granted to the Covered Counterparty in the Specified Contract as in effect as of the LW Agreement Delivery Date applicable to such Covered Counterparty.

(g) It is acknowledged and agreed that (i) the sole monetary damages that Obligor may be subject to for a violation of this Agreement are as set forth in this paragraph 10, and (ii) in no event will the Specified Contract between Obligor and a given Covered Counterparty be permitted to be terminated or rescinded by the Issuer, the DCA or the Comptroller by virtue of violations by Obligor or a Covered Counterparty.

11. Obligor acknowledges that the terms and conditions of this Agreement are intended to implement the Mayor's Executive Order No. 7 dated September 30, 2014.

12. All notices under this Agreement shall be in writing and shall be delivered by (a) return receipt requested or registered or certified United States mail, postage prepaid, (b) a nationally recognized overnight delivery service for overnight delivery, charges prepaid, or (c) hand delivery, addressed as follows:

(a) If to Obligor, to [Obligor's Name], [Street Address], [City], [State], [Zip Code], Attention: [Contact Person].

(b) If to the Issuer, to Build NYC Resource Corporation, 110 William Street, New York, NY, 10038, Attention: General Counsel, with a copy to Build NYC Resource Corporation, 110 William Street, New York, NY, 10038, Attention: Executive Director.

(c) If to the DCA, to Department of Consumer Affairs of The City of New York, 42 Broadway, New York, NY, 10004, Attention: Living Wage Division.

(d) If to the Comptroller, to Office of the Comptroller of The City of New York, One Centre Street, New York, NY 10007, Attention: Chief, Bureau of Labor Law.

13. This Agreement shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of New York.

14. Obligor hereby irrevocably and unconditionally (a) agrees that any suit, action or other legal proceeding arising out of this Agreement may be brought in the courts of record of the State of New York in New York County or the United States District Court for the Southern District of New York; (b) consents to the jurisdiction of each such court in any such suit, action or proceeding; (c) waives any objection which it may have to the venue of any such suit, action or proceeding in such courts; and (d) waives and relinquishes any rights it might otherwise have (i) to move to dismiss on grounds of forum non conveniens, (ii) to remove to any federal

court other than the United States District Court for the Southern District of New York, and (iii) to move for a change of venue to a New York State Court outside New York County.

15. Notwithstanding any other provision of this Agreement, in no event shall the partners, members, counsel, directors, shareholders or employees of Obligor have any personal obligation or liability for any of the terms, covenants, agreements, undertakings, representations or warranties of Obligor contained in this Agreement.

IN WITNESS WHEREOF, Obligor has executed and delivered this Agreement as of the date first written above.

[_____]

By:_____
Name:
Title:

ATTACHMENT 1 to EXHIBIT J
FORM OF LW AGREEMENT

LIVING WAGE AGREEMENT

This LIVING WAGE AGREEMENT (this "Agreement") is made as of [_____], by [_____] ("Obligor") in favor of Institution, the Issuer, the City, the DCA and the Comptroller (each as defined below) (each, an "Obligee"). In consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Obligor hereby covenants and agrees as follows:

1. Definitions. As used herein the following capitalized terms shall have the respective meanings specified below.

"Asserted Cure" has the meaning specified in paragraph 9(a).

"Asserted LW Violation" has the meaning specified in paragraph 9(a).

"City" means The City of New York.

"Comptroller" means the Comptroller of The City of New York or his or her designee.

"Covered Employer" means Obligor; provided, however, that the term "Covered Employer" shall not include (i) a Person of the type described in Section 6-134(d)(2), (3), (4) or (5) of the New York City Administrative Code, (ii) a Person that has annual consolidated gross revenues that are less than the Small Business Cap unless the revenues of the Person are included in the consolidated gross revenues of a Person having annual consolidated gross revenues that are more than the Small Business Cap, in each case calculated based on the fiscal year preceding the fiscal year in which the determination is being made, and in each case calculated in accordance with generally accepted accounting principles, (iii) any otherwise covered Person operating on any portion of the Obligor Facility if residential units comprise more than 75% of the total Facility area and all of the residential units are subject to rent regulation, (iv) any otherwise covered Person that the Issuer has determined (in its sole and absolute discretion) in writing to be exempt on the basis that it works significantly with a Qualified Workforce Program, (v) a Person whose Site Employees all are paid wages determined pursuant to a collective bargaining or labor agreement, (vi) if Institution is a "covered developer" under and as defined in the Prevailing Wage Law, a Person that is a "building services contractor" (as defined in the LW Law) so long as such Person is paying its "building service employees" (as defined in the Prevailing Wage Law) no less than the applicable "prevailing wage" (as defined in the Prevailing Wage Law), or (vii) a Person exempted by a Deputy Mayor of The City of New York in accordance with the Mayor's Executive Order No. 7 dated September 30, 2014.

"DCA" means the Department of Consumer Affairs of The City of New York, acting as the designee of the Mayor of The City of New York, or such other agency or designee that the Mayor of The City of New York may designate from time to time.

"Facility" means the land and real property improvements located at 166 Kings Highway, Brooklyn, New York 11223 (Block 6619 Lot 42).

"Institution" means Friends of Hebrew Public Borrower, LLC, a limited liability company organized and existing under the laws of the State of Delaware that is a disregarded entity for federal tax purposes, having its principal office at 555 8th Avenue, Suite 1703, New York, New York 10018, or its permitted successors or assigns as Institution under the Project Agreement.

"Issuer" means Build NYC Resource Corporation, a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State of New York at the direction of the Mayor of The City of New York, having its principal office at 110 William Street, New York, New York 10038.

"LW" has the same meaning as the term "living wage" as defined in Section 6-134(b)(9) of the New York City Administrative Code and shall be adjusted annually in accordance therewith, except that as of April 1, 2015, the "living wage rate" component of the LW shall be eleven dollars and sixty-five cents per hour ($11.65/hour) and the "health benefits supplement rate" component of the LW shall be one dollar and sixty-five cents per hour ($1.65/hour). The annual adjustments to the "living wage rate" and "health benefits supplement rate" will be announced on or around January 1 of each year by the DCA and will go into effect on April 1 of such year.

"LW Law" means the Fair Wages for New Yorkers Act, constituting Section 6-134 of the New York City Administrative Code, as amended, supplemented or otherwise modified from time to time, and all rules and regulations promulgated thereunder.

"LW Term" means the period commencing on the date of this Agreement and ending on the date that is the earlier to occur of: (a) the later to occur of (i) the date on which Institution is no longer receiving financial assistance under the Project Agreement or (ii) the date that is ten years after the Facility commences operations; or (b) the end of the term of Obligor's Specified Contract (including any renewal or option terms pursuant to any exercised options), whether by early termination or otherwise.

"LW Violation Final Determination" has the meaning specified in paragraph 9(a)(i), paragraph 9(a)(ii)(1) or paragraph 9(a)(ii)(2), as applicable.

"LW Violation Initial Determination" has the meaning specified in paragraph 9(a)(ii).

"LW Violation Notice" has the meaning specified in paragraph 9(a).

"LW Violation Threshold" means $100,000 multiplied by 1.03^n, where "n" is the number of full years that have elapsed since January 1, 2015.

"Obligor Facility" means the applicable portion of the Facility covered by the Specified Contract of Obligor.

"Operational Date" means the date that Obligor commences occupancy, operations or work at the Obligor Facility.

"Owed Interest" means the interest accruing on Owed Monies, which interest shall accrue from the relevant date(s) of underpayment to the date that the Owed Monies are paid, at a rate equal to the interest rate then in effect as prescribed by the superintendent of banks pursuant to Section 14-a of the New York State Banking Law, but in any event at a rate no less than six percent per year.

"Owed Monies" means the total deficiency of LW required to be paid by Obligor in accordance with this Agreement to its direct Site Employee(s) after taking into account the wages actually paid (which shall be credited towards the "living wage rate" component of the LW), and the monetary value of health benefits actually provided (which shall be credited towards the "health benefits supplement rate" component of the LW), to such direct Site Employee(s), all as calculated on a per pay period basis.

"Person" means any natural person, sole proprietorship, partnership, association, joint venture, limited liability company, corporation, governmental authority, governmental agency, governmental instrumentality or any form of doing business.

"Prevailing Wage Law" means Section 6-130 of the New York City Administrative Code, as amended, supplemented or otherwise modified from time to time, and all rules and regulations promulgated thereunder.

"Project Agreement" means that certain Loan Agreement, dated as of September 1, 2018, between the Issuer and the Institution (as amended, restated, supplemented or otherwise modified from time to time), pursuant to which Institution has or will receive financial assistance from the Issuer.

"Qualified Workforce Program" means a training or workforce development program that serves youth, disadvantaged populations or traditionally hard-to-employ populations and that has been determined to be a Qualified Workforce Program by the Director of the Mayor's Office of Workforce Development.

"Site Employee" means any natural person who works at the Obligor Facility and who is employed by, or contracted or subcontracted to work for, Obligor, including all employees, independent contractors, contingent workers or contracted workers (including persons made available to work through the services of a temporary services, staffing or employment agency or similar entity) that are performing work on a full-time, part-time, temporary or seasonal basis; provided that the term "Site Employee" shall not include any natural person who works less than seventeen and a half (17.5) hours in any consecutive seven day period at the Obligor Facility unless the primary work location or home base of such person is at the Obligor Facility (for the avoidance of doubt, a natural person who works at least seventeen and a half (17.5) hours in any consecutive seven day period at the Obligor Facility shall thereafter constitute a Site Employee).

"Small Business Cap" means three million dollars; provided that, beginning in 2015 and each year thereafter, the Small Business Cap shall be adjusted contemporaneously with

the adjustment to the "living wage rate" component of the LW using the methodology set forth in Section 6-134(b)(9) of the New York City Administrative Code.

"Specified Contract" means (a) in the case of Obligor, the [_____], dated as of [_____], by and between Obligor and [_____], or (b) in the case of any other Person, the principal written contract that makes such Person a Covered Employer hereunder.

2. Commencing on the Operational Date and thereafter during the remainder of the LW Term, if and for so long as Obligor is a Covered Employer, Obligor shall pay each of its direct Site Employees no less than an LW.

3. Commencing on the Operational Date and thereafter during the remainder of the LW Term, if and for so long as Obligor is a Covered Employer, Obligor shall, on or prior to the day on which each direct Site Employee of Obligor begins work at the Obligor Facility, (a) post a written notice detailing the wages and benefits required to be paid to Site Employees under this Agreement in a conspicuous place at the Obligor Facility that is readily observable by such direct Site Employee and (b) provide such direct Site Employee with a written notice detailing the wages and benefits required to be paid to Site Employees under this Agreement. Such written notice shall also provide a statement advising Site Employees that if they have been paid less than the LW they may notify the Comptroller and request an investigation. Such written notice shall be in English and Spanish.

4. Commencing on the Operational Date and thereafter during the remainder of the LW Term, if and for so long as Obligor is a Covered Employer, Obligor shall not take any adverse employment action against any Site Employee for reporting or asserting a violation of this Agreement.

5. Commencing on the Operational Date and thereafter during the remainder of the LW Term, in the event that an individual with managerial authority at Obligor receives a written complaint from any Site Employee (or such individual otherwise obtains actual knowledge) that any Site Employee has been paid less than an LW, Obligor shall deliver written notice to the Issuer, the DCA and the Comptroller within 30 days thereof.

6. Obligor hereby acknowledges and agrees that the Issuer, the City, the DCA and the Comptroller are each intended to be direct beneficiaries of the terms and provisions of this Agreement. Obligor hereby acknowledges and agrees that the DCA, the Comptroller and the Issuer shall each have the authority and power to enforce any and all provisions and remedies under this Agreement in accordance with paragraph 9 below. Obligor hereby agrees that the DCA, the Comptroller and the Issuer may, as their sole and exclusive remedy for any violation of Obligor's obligations under this Agreement, bring an action for damages (but not in excess of the amounts set forth in paragraph 9 below), injunctive relief or specific performance or any other non-monetary action at law or in equity, in each case subject to the provisions of paragraph 9 below, as may be necessary or desirable to enforce the performance or observance of any obligations, agreements or covenants of Obligor under this Agreement. The agreements and acknowledgements of Obligor set forth in this Agreement may not be amended, modified or rescinded by Obligor without the prior written consent of the Issuer or the DCA.

7. From and after the Operational Date, no later than 30 days after Obligor's receipt of a written request from the Issuer, the DCA and/or the Comptroller, Obligor shall provide to the Issuer, the DCA and the Comptroller (a) a certification stating that all of the direct Site Employees of Obligor are paid no less than an LW and stating that Obligor is in compliance with this Agreement in all material respects, (b) certified payroll records in respect of the direct Site Employees of Obligor, and/or (c) any other documents or information reasonably related to the determination of whether Obligor is in compliance with its obligations under this Agreement.

8. From and after the Operational Date, Obligor shall, annually by August 1 of each year during the LW Term, submit to its counterparty to its Specified Contract such data in respect of employment, jobs and wages at the Obligor Facility as of June 30 of such year that is needed by Institution for it to comply with its reporting obligations under the Project Agreement.

9. Violations and Remedies.

   (a) If a violation of this Agreement shall have been alleged by the Issuer, the DCA and/or the Comptroller, then written notice will be provided to Obligor for such alleged violation (an "LW Violation Notice"), specifying the nature of the alleged violation in such reasonable detail as is known to the Issuer, the DCA and the Comptroller (the "Asserted LW Violation") and specifying the remedy required under paragraph 9(b), (c) and/or (d) (as applicable) to cure the Asserted LW Violation (the "Asserted Cure"). Upon Obligor's receipt of the LW Violation Notice, Obligor may either:

      (i) Perform the Asserted Cure no later than 30 days after its receipt of the LW Violation Notice (in which case a "LW Violation Final Determination" shall be deemed to exist), or

      (ii) Provide written notice to the Issuer, the DCA and the Comptroller indicating that it is electing to contest the Asserted LW Violation and/or the Asserted Cure, which notice shall be delivered no later than 30 days after its receipt of the LW Violation Notice. Obligor shall bear the burdens of proof and persuasion and shall provide evidence to the DCA no later than 45 days after its receipt of the LW Violation Notice. The DCA shall then, on behalf of the City, the Issuer and the Comptroller, make a good faith determination of whether the Asserted LW Violation exists based on the evidence provided by Obligor and deliver to Obligor a written statement of such determination in reasonable detail, which shall include a confirmation or modification of the Asserted LW Violation and Asserted Cure (such statement, a "LW Violation Initial Determination"). Upon Obligor's receipt of the LW Violation Initial Determination, Obligor may either:

         (1) Accept the LW Violation Initial Determination and shall perform the Asserted Cure specified in the LW Violation Initial Determination no later than 30 days after its receipt of

the LW Violation Initial Determination (after such 30 day period has lapsed, but subject to clause (2) below, the LW Violation Initial Determination shall be deemed to be a "LW Violation Final Determination"), or

(2) Contest the LW Violation Initial Determination by filing in a court of competent jurisdiction or for an administrative hearing no later than 30 days after its receipt of the LW Violation Initial Determination, in which case, Obligor's obligation to perform the Asserted Cure shall be stayed pending resolution of the action. If no filing in a court of competent jurisdiction or for an administrative hearing is made to contest the LW Violation Initial Determination within 30 days after Obligor's receipt thereof, then the LW Violation Initial Determination shall be deemed to be a "LW Violation Final Determination". If such a filing is made, then a "LW Violation Final Determination" will be deemed to exist when the matter has been finally adjudicated. Obligor shall perform the Asserted Cure (subject to the judicial decision) no later than 30 days after the LW Violation Final Determination.

(b) For the first LW Violation Final Determination imposed on Obligor in respect of any direct Site Employees of Obligor, at the direction of the Issuer or the DCA (but not both), (i) Obligor shall pay the Owed Monies and Owed Interest in respect of such direct Site Employees of Obligor to such direct Site Employees; and/or (ii) in the case of a violation that does not result in monetary damages owed by Obligor, Obligor shall cure, or cause the cure of, such non-monetary violation.

(c) For the second and any subsequent LW Violation Final Determinations imposed on Obligor in respect of any direct Site Employees of Obligor, at the direction of the Issuer or the DCA (but not both), (i) Obligor shall pay the Owed Monies and Owed Interest in respect of such direct Site Employees of Obligor to such direct Site Employees, and Obligor shall pay fifty percent (50%) of the total amount of such Owed Monies and Owed Interest to the DCA as an administrative fee, and/or (ii) in the case of a violation that does not result in monetary damages owed by Obligor, Obligor shall cure, or cause the cure of, such non-monetary violation.

(d) For the second and any subsequent LW Violation Final Determinations imposed on Obligor in respect of any direct Site Employees of Obligor, if the aggregate amount of Owed Monies and Owed Interest paid or payable by Obligor in respect of its direct Site Employees is in excess of the LW Violation Threshold for all past and present LW Violation Final Determinations imposed on Obligor, then in lieu of the remedies specified in subparagraph (c) above and at the direction of the Issuer or the DCA (but not both), Obligor shall pay (i) two hundred percent (200%) of the Owed Monies and Owed Interest in respect of the present LW Violation Final Determination to the affected direct Site Employees of Obligor, and (ii) fifty

percent (50%) of the total amount of such Owed Monies and Owed Interest to the DCA as an administrative fee.

(e) It is acknowledged and agreed that the sole monetary damages that Obligor may be subject to for a violation of this Agreement are as set forth in this paragraph 9.

10. Obligor acknowledges that the terms and conditions of this Agreement are intended to implement the Mayor's Executive Order No. 7 dated September 30, 2014.

11. All notices under this Agreement shall be in writing and shall be delivered by (a) return receipt requested or registered or certified United States mail, postage prepaid, (b) a nationally recognized overnight delivery service for overnight delivery, charges prepaid, or (c) hand delivery, addressed as follows:

(a) If to Obligor, to [Obligor's Name], [Street Address], [City], [State], [Zip Code], Attention: [Contact Person].

(b) If to the Issuer, to Build NYC Resource Corporation, 110 William Street, New York, NY, 10038, Attention: General Counsel, with a copy to Build NYC Resource Corporation, 110 William Street, New York, NY, 10038, Attention: Executive Director.

(c) If to the DCA, to Department of Consumer Affairs of The City of New York, 42 Broadway, New York, NY, 10004, Attention: Living Wage Division.

(d) If to the Comptroller, to Office of the Comptroller of The City of New York, One Centre Street, New York, NY 10007, Attention: Chief, Bureau of Labor Law.

12. This Agreement shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of New York.

13. Obligor hereby irrevocably and unconditionally (a) agrees that any suit, action or other legal proceeding arising out of this Agreement may be brought in the courts of record of the State of New York in New York County or the United States District Court for the Southern District of New York; (b) consents to the jurisdiction of each such court in any such suit, action or proceeding; (c) waives any objection which it may have to the venue of any such suit, action or proceeding in such courts; and (d) waives and relinquishes any rights it might otherwise have (i) to move to dismiss on grounds of forum non conveniens, (ii) to remove to any federal court other than the United States District Court for the Southern District of New York, and (iii) to move for a change of venue to a New York State Court outside New York County.

14. Notwithstanding any other provision of this Agreement, in no event shall the partners, members, counsel, directors, shareholders or employees of Obligor have any personal obligation or liability for any of the terms, covenants, agreements, undertakings, representations or warranties of Obligor contained in this Agreement.

IN WITNESS WHEREOF, Obligor has executed and delivered this Agreement as of the date first written above.

[_____]

By:_____
Name:
Title:

APPENDIX F

FORM OF INDENTURE OF TRUST

BUILD NYC RESOURCE CORPORATION,
a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State of New York at the direction of the Mayor of The City of New York, having its principal office at 110 William Street, New York, New York 10038, as "Issuer",

TO

THE BANK OF NEW YORK MELLON
a banking corporation organized and existing under the laws of the State of New York, having a corporate trust office at 240 Greenwich Street, Floor 7W, New York, New York 10286, together with any successor trustee at the time serving as such under this Indenture of Trust, as "Trustee"

INDENTURE OF TRUST

Dated as of September 1, 2018

$34,030,000
Build NYC Resource Corporation
Revenue Bonds, Series 2018A
(Friends of Hebrew Public Borrower, LLC Project)

and

$1,980,000
Build NYC Resource Corporation
Taxable Revenue Bonds, Series 2018B
(Friends of Hebrew Public Borrower, LLC Project)

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EXHIBITS

INDENTURE OF TRUST

THIS INDENTURE OF TRUST dated as of the date set forth on the cover page hereof (as the same may be amended and supplemented in accordance with its terms, this "**Indenture**"), by and between **BUILD NYC RESOURCE CORPORATION**, a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State of New York at the direction of the Mayor of The City of New York, having its principal office at 110 William Street, New York, New York 10038, party of the first part, to **THE BANK OF NEW YORK MELLON**, together with any successor trustee at the time serving as such under this Indenture of Trust, having a corporate trust office at 240 Greenwich Street, Floor 7W, New York, New York 10286, party of the second part (capitalized terms used but not defined herein shall have the respective meanings assigned to such terms throughout this Indenture),

WITNESSETH:

WHEREAS, the Issuer is authorized pursuant to Section 1411(a) of the Not-for-Profit Corporation Law of the State of New York, as amended, and its Certificate of Incorporation and By-Laws, (i) to promote community and economic development and the creation of jobs in the non-profit and for-profit sectors for the citizens of The City of New York (the "**City**") by developing and providing programs for not-for-profit institutions, manufacturing and industrial businesses and other entities to access tax-exempt and taxable financing for their eligible projects; (ii) to issue and sell one or more series or classes of bonds, notes and other obligations through private placement, negotiated underwriting or competitive underwriting to finance such activities above, on a secured or unsecured basis; and (iii) to undertake other eligible projects that are appropriate functions for a non-profit local development corporation for the purpose of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, carrying on scientific research for the purpose of aiding the City by attracting new industry to the City or by encouraging the development of or retention of an industry in the City, and lessening the burdens of government and acting in the public interest; and

WHEREAS, the Certificate of Incorporation of the Issuer further provides that the lessening of the burdens of government and the exercise of the powers conferred on the Issuer are the performance of an essential governmental function, which activities will assist the City in reducing unemployment and promoting additional job growth and economic development; and

WHEREAS, the Institution has entered into negotiations with officials of the Issuer for the Issuer's assistance with a tax-exempt and taxable revenue bond transaction, the proceeds of which, together with other funds of the Institution, will be used by the Institution to finance the Project; and

WHEREAS, the Facility is owned by the Institution and operated by the School to serve students in grades K-5; and

WHEREAS, the Issuer has determined that the providing of financial assistance to the Institution for the Project will promote and is authorized by and will be in furtherance of the corporate purposes of the Issuer; and

WHEREAS, as a result of such negotiations, the Institution has requested the Issuer to issue its bonds to finance a portion of the costs of the Project; and

WHEREAS, the Issuer adopted the Bond Resolution authorizing the Project and the issuance of its revenue bonds to finance a portion of the costs of the Project; and

WHEREAS, to facilitate the Project and the issuance by the Issuer of its revenue bonds to finance a portion of the costs of the Project, the Issuer and the Institution have entered into negotiations pursuant to which (i) the Issuer will make the Loan of the proceeds of the Initial Bonds, in the original aggregate principal amount of the Initial Bonds, to the Institution pursuant to the Loan Agreement, and (ii) the Institution will execute the Promissory Note in favor of the Issuer to evidence the Institution's obligation under the Loan Agreement to repay the Loan and the Issuer will endorse the Promissory Note to the Trustee; and

WHEREAS, to provide funds for a portion of the costs of the Project and for incidental and related costs and to provide funds to pay the costs and expenses of the issuance of the Initial Bonds, the Issuer has authorized the issuance of the Initial Bonds in the Authorized Principal Amount pursuant to the Bond Resolution and this Indenture; and

WHEREAS, concurrently with the execution hereof, in order to further secure the Initial Bonds, (i) the Institution will grant mortgage liens on and security interests in its fee interests in the Facility to the Issuer and the Trustee pursuant to the Mortgage, and the Issuer will assign its right, title and interest under the Mortgage to the Trustee pursuant to the Assignment of Mortgage; (ii) the Depositary Bank, the Trustee and the Institution will execute and deliver an Account Control Agreement, pursuant to which the Institution will grant a security interest in the Institution's operating account to the Trustee and also authorize the Trustee to transfer the amounts required under this Indenture and the Loan Agreement to the Revenue Fund; and (iii) the Institution will grant a lien and security interest in the Pledged Collateral pursuant to the Pledge and Security Agreement in favor of the Trustee; and

WHEREAS, additional moneys may be necessary to finance the cost of completing the Project, providing funds in excess of Net Proceeds to repair, relocate, replace, rebuild or restore the Facility in the event of damage, destruction or taking by eminent domain, or providing extensions, additions or improvements to the Facility or refunding outstanding Bonds and provision should therefore be made for the issuance from time to time of additional bonds; and

WHEREAS, the Initial Bonds and the Trustee's Certificate to be endorsed thereon are all to be in substantially the forms set forth in Exhibit C, with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture; and

WHEREAS, all things necessary to make the Bonds when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal special limited revenue obligations of the Issuer according to the import thereof, and to constitute this Indenture a valid pledge and assignment of the loan payments, revenues and receipts herein made to the payment of the principal of, Purchase Price or Redemption Price of, Sinking Fund Installments for, redemption premium, if any, and interest on the Bonds, have been done and performed, and

the creation, execution and delivery of this Indenture, and the creation, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS INDENTURE WITNESSETH:

That the Issuer in consideration of the premises and of the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the Holders and owners thereof, and of the sum of One Dollar, lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal, Purchase Price or Redemption Price of, and Sinking Fund Installments for, the Bonds and the indebtedness represented thereby and the redemption premium, if any, and interest on the Bonds according to their tenor and effect and the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bonds, does hereby grant, bargain, convey, transfer, grant a security interest in, pledge and assign unto the Trustee, and unto its respective successors in trust, and to their respective assigns for the benefit of the Bondholders, forever for the securing of the performance of the obligations of the Issuer hereinafter set forth, the following:

GRANTING CLAUSES

I

All right, title and interest of the Issuer in and to the Loan Agreement, including all loan payments, revenues and receipts payable or receivable thereunder, excluding, however, the Issuer's Reserved Rights, which Issuer's Reserved Rights may be enforced by the Issuer and the Trustee, jointly or severally.

II

All right, title and interest of the Issuer in and to the Promissory Note.

III

All moneys and securities from time to time held by the Trustee under the terms of this Indenture including amounts set apart and transferred to the Revenue Fund, the Earnings Fund, the Project Fund, the Renewal Fund, the Bond Fund, the Debt Service Reserve Fund (provided, however, that notwithstanding anything herein to the contrary, amounts in the Series 2018A Account of the Debt Service Reserve Fund shall be pledged for the benefit of the Series 2018A Bonds only and amounts in the Series 2018B Account of the Debt Service Reserve Fund shall be pledged for the benefit of the Series 2018B Bonds only) or any special fund, and all investment earnings of any of the foregoing, subject to disbursements from the Revenue Fund, the Earnings Fund, the Debt Service Reserve Fund, the Project Fund, the Renewal Fund or any such special fund in accordance with the provisions of the Loan Agreement and this Indenture, but expressly excluding any moneys or securities held in the Rebate Fund and the Repair and Replacement Fund.

Any and all other property of every kind and nature from time to time which was heretofore or hereafter is by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security hereunder, including the Security Documents, by the Issuer or by any other Person, with or without the consent of the Issuer, to the Trustee which is hereby authorized to receive any and all such property at any time and at all times to hold and apply the same subject to the terms hereof.

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended so to be, to the Trustee and its successors in said Trust and to them and their assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all Holders and owners of the Bonds issued under and secured by this Indenture, without privilege, priority or distinction as to lien or otherwise of any of the Bonds over any of the others of the Bonds, except as otherwise expressly provided in this Indenture, provided, however, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal and any applicable redemption premium, of the Bonds and the interest due or to become due thereon, at the times and in the manner provided in the Bonds according to the true intent and meaning thereof and shall make the payments into the Bond Fund as required under this Indenture or shall provide, as permitted hereby, for the payment thereof by depositing or causing to be deposited with the Trustee sufficient amounts, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Indenture and the rights hereby granted shall cease, determine and be void; otherwise, this Indenture to be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared that, all the Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said loan payments, revenues and receipts hereby pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant with the Trustee and with the respective Holders and owners, from time to time of the Bonds or any part thereof, as follows, that is to say:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. Unless otherwise herein defined, the following capitalized terms shall have the respective meanings specified in this Section 1.01 for purposes of this Indenture:

Account Control Agreement shall mean the initial Account Control Agreement, dated as of September 6, 2018, between the Depositary Bank, the Trustee, and the Institution, as

the same may be amended or supplemented from time to time or any successor Account Control Agreement entered into by a successor Depositary Bank, the Trustee, and the Institution.

Additional Bonds shall mean one or more Series of additional bonds issued, executed, authenticated and delivered under this Indenture.

Affiliate shall mean, with respect to a given Person, any other Person that directly or indirectly through one or more intermediaries Controls, is Controlled by, or is under common Control with such given Person.

Agreement to Advance shall mean the Agreement to Advance, dated the Closing Date, among the Institution, the Bondholder Representative, the Initial Beneficial Owners of the Initial Bonds, the Trustee and the Underwriter, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with this Indenture.

Approved Facility shall mean the Facility as owned by the Institution and occupied, used and operated by the School substantially for the Approved Project Operations, including such other activities as may be substantially related to or substantially in support of such operations, all to be effected in accordance with the Loan Agreement.

Approved Project Operations shall mean the facility located at 166 Kings Highway, Brooklyn, New York 11223, for use by the Institution and the School in the providing of education services to students from grade K through grade 5.

Assignment of Development Agreement shall mean the Assignment of Development Agreement and Subordination of Development Fees, dated the Closing Date, from the Institution to the Trustee and consented and agreed to by HLA Project Development, LLC, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with this Indenture.

Assignment of Lease shall mean the Assignment of Lease, dated as of September 1, 2018, from the Institution to the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and herewith.

Assignment of Mortgage shall mean, collectively, the Assignment of Mortgage and Security Agreement (Acquisition Loan), the Assignment of Mortgage and Security Agreement (Building Loan) and the Assignment of Mortgage and Security Agreement (Indirect Loan) relating to the Facility, each dated the Closing Date, from the Issuer to the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with this Indenture.

Assignment of Project Agreements shall mean the Assignment of Project Agreements, Licenses, Permits and Contracts, dated the Closing Date, from the Institution to the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with this Indenture.

Authorized Denomination shall mean, (i) in the case of the Series 2018A Bonds, $100,000 or any integral multiple of $5,000 in excess thereof; provided, however, that if the Series

2018A Bonds are rated investment grade by a Rating Agency, then, upon the Trustee receiving written notice of the occurrence of such event, the Authorized Denominations with respect to the Series 2018A Bonds shall be $5,000 or any integral multiple thereof, (ii) in the case of the Series 2018B Bonds, $100,000 or any integral multiple of $5,000 in excess thereof provided, however, that if the Series 2018B Bonds are rated investment grade by a Rating Agency, then upon the Trustee receiving written notice of the occurrence of such event, the Authorized Denominations with respect to the Series 2018B Bonds shall be $5,000 or any integral multiple thereof, and (iii) in the case of any Additional Bonds, such denominations as shall be set forth in the Supplemental Indenture executed and delivered in connection with such Additional Bonds.

Authorized Principal Amount shall mean, (i) in the case of the Series 2018A Bonds, $34,030,000, (ii) in the case of the Series 2018B Bonds, $1,980,000, and (iii) in the case of any Additional Bonds, such authorized principal amount as shall be set forth in the Supplemental Indenture executed and delivered in connection with such Additional Bonds.

Authorized Representative shall mean, (i) in the case of the Issuer, the Chairperson, Vice Chairperson, Treasurer, Assistant Treasurer, Secretary, Assistant Secretary, Executive Director, Deputy Executive Director or General Counsel, or any other officer or employee of the Issuer who is authorized to perform specific acts or to discharge specific duties, and (ii) in the case of the Institution, a person named in Exhibit C - "Authorized Representative" to the Loan Agreement or any other officer or employee of the Institution who is authorized to perform specific duties under the Loan Agreement or under any other Project Document and of whom another Authorized Representative of the Institution has given written notice to the Issuer and the Trustee; provided, however, that in each case for which a certification or other statement of fact or condition is required to be submitted by an Authorized Representative to any Person pursuant to the terms of the Loan Agreement or any other Project Document, such certificate or statement shall be executed only by an Authorized Representative in a position to know or to obtain knowledge of the facts or conditions that are the subject of such certificate or statement.

Beneficial Owner shall mean, whenever used with respect to an Initial Bond, the Person in whose name such Initial Bond is recorded as the Beneficial Owner of such Initial Bond by the respective systems of DTC and each of the Participants of DTC. If at any time the Initial Bonds are not held in the Book-Entry System, Beneficial Owner shall mean "Holder" for purposes of the Security Documents.

Bond Fund shall mean the special trust fund so designated, established pursuant to Section 5.01.

Bondholder, **Holder of Bonds**, **Holder** or **holder** shall mean any Person who shall be the registered owner of any Bond or Bonds.

Bondholder Representative shall mean Rosemawr Management LLC, acting through its officers and agents, and any successor or assign thereto which shall be designated as the Bondholder Representative in accordance with Section 10.01.

Bond Purchase Agreement shall mean the Bond Purchase Agreement, dated August 30, 2018, among the Issuer, the Institution, the School, the Underwriter, the Initial Beneficial Owners and the Bondholder Representative.

Bond Registrar shall mean the Trustee acting as registrar as provided in Section 3.10.

Bond Resolution shall mean the resolution of the Issuer adopted on June 12, 2018, authorizing the Project and the issuance of the Initial Bonds.

Bonds shall mean the Initial Bonds and any Additional Bonds.

Building Loan Agreement shall mean the Building Loan Agreement, dated as of even date herewith, among the Issuer, the Institution and the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and herewith.

Business Day shall mean any day that shall not be:

(i) a Saturday, Sunday, or legal holiday;

(ii) a day on which banking institutions in the City are authorized by law or executive order to close; or

(iii) a day on which the New York Stock Exchange or the payment system of the Federal Reserve System is closed.

Capital Needs Assessment shall mean an evaluation by an Independent Consultant of the capital needs of the Facility and the total cost thereof for a five (5) year period commencing on July 1, 2023 and every fifth anniversary thereafter as long as the Bonds are Outstanding.

City shall mean The City of New York, New York.

Closing Date shall mean September 6, 2018, the date of the initial issuance and delivery of the Initial Bonds.

Code shall mean the Internal Revenue Code of 1986, as amended, including the regulations thereunder. All references to Sections of the Code or regulations thereunder shall be deemed to include any such Sections or regulations as they may hereafter be renumbered in any subsequent amendments to the Code or such regulations.

Computation Date shall have the meaning assigned to that term in the Tax Regulatory Agreement.

Computation Period shall have the meaning assigned to that term in the Tax Regulatory Agreement.

Conduct Representation shall mean any representation by the Institution under Section 2.2(t) of the Loan Agreement, or by any other Person in any Required Disclosure Statement delivered to the Issuer.

Construction Consultant shall mean Cumming Construction Management, Inc. or its successors or assigns under the Disbursement Agreement.

Continuing Covenant Agreement shall mean the Continuing Covenants Agreement, dated the Closing Date, among the Institution, the School, the Trustee and the Bondholder Representative, as amended from time to time in accordance therewith.

Control or **Controls**, including the related terms "controlled by" and "under common control with", shall mean the power to direct the management and policies of a Person (x) through the ownership, directly or indirectly, of not less than a majority of its voting securities, (y) through the right to designate or elect not less than a majority of the members of its board of directors or trustees or other Governing Body, or (z) by contract or otherwise.

Costs of Issuance shall mean issuance costs with respect to the Initial Bonds described in Section 147(g) of the Code and any regulations thereunder, including but not limited to the following: Underwriter's fee; counsel fees (including bond counsel, counsel to the Underwriter, Trustee's counsel, Issuer's counsel, Institution's counsel, counsel to the Bondholder Representative, as well as any other specialized counsel fees incurred in connection with the borrowing); financial advisor fees of any financial advisor to the Issuer or the Institution incurred in connection with the issuance of the Initial Bonds; engineering and feasibility study costs; guarantee fees (other than Qualified Guarantee Fees, as defined in the Tax Regulatory Agreement); Rating Agency fees; Trustee and Paying Agent fees; accountant fees and other expenses related to issuance of the Initial Bonds; printing costs (for the Initial Bonds and of the preliminary and final offering documents relating to the Initial Bonds); public approval and process costs; fees and expenses of the Issuer incurred in connection with the issuance of the Initial Bonds; and Blue Sky fees and expenses; and similar costs.

Debt Service Reserve Fund shall mean the special trust fund so designated, established pursuant to Section 5.01 of this Indenture.

Debt Service Reserve Fund Requirement shall mean (i) with respect to the Series 2018A Bonds, an amount equal to $1,224,184.61, which shall be funded with the last draw of the Series 2018A Bonds, which Debt Service Reserve Fund Requirement shall increase on each July 1, commencing on July 1, 2021 and continuing through and including July 1, 2025 by $259,082.50 (provided, however, that the final increase on July 1, 2025 shall be in the amount of $259,082.51 for a total Debt Service Reserve Fund Requirement as of such date of $2,519,597.12) and shall increase on June 15, 2027, by $71,227.90 for a total Debt Service Reserve Fund Requirement as of such date of $2,590,825.02, (ii) with respect to the Series 2018B Bonds, $71,227.90, and (iii) with respect to any Series of Additional Bonds, such amount or formula as shall be set forth in the Supplemental Indenture executed and delivered in connection with the issuance of such Additional Bonds; provided, however, that in any case, the Debt Service Reserve Fund Requirement with respect to the Series 2018A Bonds shall not exceed the amount permitted to be deposited into the Debt Service Reserve Fund, and invested at an unrestricted yield, under the Code.

Debt Service Reserve Fund Valuation Date shall mean June 1 and December 1 of each year commencing December 1, 2020.

Defaulted Interest shall have the meaning specified in Section 2.02(f) in this Indenture.

Defeasance Obligations shall mean Government Obligations that are not subject to redemption prior to maturity.

Depositary Agreement means the Depositary Agreement, dated the Closing Date, between the Institution and the Depositary Bank, as the same may be amended or supplemented from time to time.

Depositary Bank means The Bank of New York Mellon, as depositary bank for the Institution, or any successor depositary bank for the Institution.

Determination of Taxability shall mean:

(i) (A) the adoption, promulgation or enactment of any federal statute or regulation, or any determination, decision, decree or ruling made by the Commissioner or any District Director of the Internal Revenue Service;

(B) the issuance of a public or private ruling or a technical advice memorandum by the Internal Revenue Service in which the Institution has participated or has been given the opportunity to participate, and which ruling or memorandum the Institution, in its discretion, does not contest or from which no further right of judicial review or appeal exists;

(C) a determination from which no further right of appeal exists of any court of competent jurisdiction in the United States in a proceeding in which the Institution has participated or has been a party, or has been given the opportunity to participate or be a party; or

(D) the admission in writing by the Institution;

in any case, to the effect that the interest payable on the Bond of a Holder or a former Holder thereof is includable in gross income for federal income tax purposes; or

(ii) the receipt by the Trustee of a written opinion of Nationally Recognized Bond Counsel to the effect that the interest payable on the Bonds is includable in gross income for federal income tax purposes or the refusal of any such counsel to render a written opinion that the interest on the Bonds is not so includable when required pursuant to a request by a Bondholder in accordance with the procedures set forth in this Indenture;

provided, however, that no such Determination of Taxability described in clauses (i)(B) or (i)(C) hereof shall be considered to exist unless (1) the Holder or former Holder of the Bond involved in such proceeding (y) gives the Institution and the Trustee prompt notice of the commencement thereof and (z) (if the Institution agrees to pay all expenses in connection

therewith) offers the Institution the opportunity to control the defense thereof and (2) either (y) the Institution does not agree within thirty (30) days of receipt of such offer to pay such expenses and to control such defense or (z) the Institution shall exhaust or choose not to exhaust all available proceedings for the contest, review, appeal or rehearing of such decree, judgment or action which the Institution determines to be appropriate. A Bondholder shall have the right to request the Trustee to obtain a written opinion of Nationally Recognized Bond Counsel pursuant to clause (ii) above, at the expense of the Institution, upon delivery by the Bondholder to the Institution of a letter from the Bondholder's accountant stating that, in his or her reasonable opinion, interest on the Bonds is includable in the gross income of such Bondholder for federal income tax purposes and stating the reasons for such determination. No Determination of Taxability described above will result from the inclusion of interest on any Bond in the computation of minimum or indirect taxes.

Direction Letter shall mean the signed direction letter in the form attached to the Agreement to Advance delivered by the Bondholder Representative to the Trustee and the Underwriter.

Disbursement Agreement shall mean the Construction Disbursement and Monitoring Agreement, dated the Closing Date, among the Institution, the Construction Consultant, and the Bondholder Representative, and acknowledged and agreed to by the Trustee, and shall include any and all amendments thereto and supplements thereto have made in conformity therewith.

Draw-Down Date shall mean the Closing Date and such subsequent dates on which a draw-down for the Series 2018A Bonds shall occur, provided, however, that (i) subsequent Draw-Down Dates shall not occur more frequently than monthly; and (ii) no subsequent Draw-Down Date shall occur after July 15, 2020.

DTC shall mean The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

Earnings Fund shall mean the special trust fund so designated, established pursuant to Section 5.01.

Entity shall mean any of a corporation, general partnership, limited liability company, limited liability partnership, joint stock company, trust, estate, unincorporated organization, business association, tribe, firm, joint venture, governmental authority or governmental instrumentality, but shall not include an individual.

Environmental Indemnity Agreement shall mean the Environmental Indemnity Agreement, dated the Closing Date, among the School, the Institution, the Trustee and the Bondholder Representative, and shall include any and all amendments thereto and supplements thereto have made in conformity therewith.

Event of Default shall have the meaning specified in Section 8.01(a).

Event of Taxability shall mean the date specified in a Determination of Taxability as the date interest paid or payable on any Series 2018A Bond becomes includable for federal

income tax purposes in the gross income of any Holder thereof as a consequence of any act, omission or event whatsoever, including any change of law, and regardless of whether the same was within or beyond the control of the Institution.

Facility shall mean, collectively, the Facility Personalty and the Facility Realty.

Facility Personalty shall mean those items of machinery, equipment and other items of personalty the acquisition and/or the installation of which is to be financed in whole or in part with the proceeds of the Bonds for installation or use at the Facility Realty as part of the Project pursuant to Section 3.2 of the Loan Agreement and described in Exhibit B - "Description of the Facility Personalty", together with all repairs, replacements, improvements, substitutions and renewals thereof or therefor, and all parts, additions and accessories incorporated therein or affixed thereto. Facility Personalty shall, in accordance with the provisions of Sections 3.5 and 6.4 of the Loan Agreement, include all property substituted for or replacing items of Facility Personalty and exclude all items of Facility Personalty so substituted for or replaced, and further exclude all items of Facility Personalty removed as provided in Section 3.5 of the Loan Agreement.

Facility Realty shall mean, collectively, the Land and the Improvements.

Fitch shall mean Fitch, Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

GAAP shall mean those generally accepted accounting principles and practices that are recognized as such by the American Institute of Certified Public Accountants or by the Financial Accounting Standards Board or through other appropriate boards or committees thereof, and that are consistently applied for all periods, after the Closing Date, so as to properly reflect the financial position of the Institution, except that any accounting principle or practice required to be changed by the Financial Accounting Standards Board (or other appropriate board or committee of the said Board) in order to continue as a generally accepted accounting principle or practice may be so changed.

Governing Body shall mean, when used with respect to any Entity, its board of directors, board of trustees or individual or group of individuals by, or under the authority of which, the powers of such Entity are exercised.

Government Obligations shall mean the following:

(i) direct and general obligations of, or obligations unconditionally guaranteed by, the United States of America;

(ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America, the payment of which is unconditionally guaranteed as a full faith and credit obligation of the United States of America for the timely payment thereof; or

(iii) securities or receipts evidencing ownership interests in obligations or specified portions (such as principal or interest) of obligations described in clauses (i) or (ii) above.

Improvements shall mean:

(i) all buildings, structures, foundations, related facilities, fixtures and other improvements of every nature whatsoever existing on the Closing Date and hereafter erected or situated on the Land;

(ii) any other buildings, structures, foundations, related facilities, fixtures and other improvements constructed or erected on the Land (including any improvements or demolitions made as part of the Project Work pursuant to Section 3.2 of the Loan Agreement); and

(iii) all replacements, improvements, additions, extensions, substitutions, restorations and repairs to any of the foregoing.

Indenture shall mean this Indenture of Trust, dated as of September 1, 2018, between the Issuer and the Trustee, as from time to time amended or supplemented by Supplemental Indentures in accordance with Article XII.

Independent Consultant shall mean a Person (not an employee of either the Institution or the Issuer or an Affiliate of either thereof) which is chosen and appointed by the Institution from a pool of at least three consultants provided and approved by the Bondholder Representative for the purpose of passing on questions related to its capital needs or operations, has a favorable reputation for skill and experience in performing similar services in respect of entities of a comparable size and nature and is not unsatisfactory to the Issuer and the Trustee.

Independent Engineer shall mean a Person (not an employee of either the Issuer or the Institution or any Affiliate of either thereof) registered and qualified to practice engineering or architecture under the laws of the State, selected by the Institution, and approved in writing by the Trustee (which approval shall not be unreasonably withheld and shall be given at the direction of the Bondholder Representative, if any).

Initial Beneficial Owners shall mean Rosemawr Capital III LP and Rosemawr Municipal Partners Fund LP, the initial purchasers and Beneficial Owners of the Initial Bonds.

Initial Bonds shall mean collectively, the Series 2018A Bonds and the Series 2018B Bonds, authorized, issued, executed, authenticated and delivered on the Closing Date under this Indenture.

Institution shall mean Friends of Hebrew Public Borrower, LLC, a limited liability company organized and existing under the laws of the State of Delaware that is a disregarded entity for federal tax purposes having as its sole member the Organization, and its successors and assigns; provided, however, that nothing contained in this definition shall be deemed to limit or modify the obligations of the Institution under Section 8.9 or 8.20 of the Loan Agreement.

Institution Documents shall mean the Bond Purchase Agreement, the Loan Agreement, the Mortgage, the Building Loan Agreement, the Lease Agreement, the Assignment of Lease, the Continuing Covenant Agreement, the Disbursement Agreement, the Pledge and Security Agreement, the Account Control Agreement, the Depositary Agreement, the Environmental Indemnity Agreement, the Agreement to Advance, the Assignment of Development Agreement, the Assignment of Project Agreements and the Tax Regulatory Agreement, each as may be amended from time to time.

Interest Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.01.

Interest Payment Date shall mean, with respect to the Initial Bonds, June 15 and December 15 of each year, commencing December 15, 2018, and with respect to any Series of Additional Bonds, the dates set forth therefor in the Supplemental Indenture pursuant to which such Series of Additional Bonds are issued.

Issuer shall mean Build NYC Resource Corporation, a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State at the direction of the Mayor of the City, and its successors and assigns.

Issuer's Reserved Rights shall mean, collectively,

(i) the right of the Issuer in its own behalf to receive all Opinions of Counsel, reports, financial statements, certificates, insurance policies, binders or certificates, or other notices or communications required to be delivered to the Issuer under the Loan Agreement;

(ii) the right of the Issuer to grant or withhold any consents or approvals required of the Issuer under the Loan Agreement;

(iii) the right of the Issuer to enforce in its own behalf the obligation of the Institution under the Loan Agreement to complete the Project;

(iv) the right of the Issuer to enforce or otherwise exercise in its own behalf all agreements of the Institution under the Loan Agreement with respect to ensuring that the Facility shall always constitute the Approved Facility;

(v) the right of the Issuer to amend with the Institution the provisions of Section 5.1 of the Loan Agreement without the consent of the Trustee or any Bondholder;

(vi) the right of the Issuer in its own behalf (or on behalf of the appropriate taxing authorities) to enforce, receive amounts payable under or otherwise exercise its rights under the following Articles and Sections of the Loan Agreement: Article III (except for Section 3.1), Sections 4.4, 4.5 and 4.6, Article V, Article VI, Article VIII (except for Section 8.26), Article IX, Article X and Sections 11.1, 11.3 and 11.5, and Article XII (except Section 12.2); and

(vii) the right of the Issuer in its own behalf to declare a default with respect to any of the Issuer's Reserved Rights and exercise the remedies set forth in Section 9.2(b) of the Loan Agreement.

Land shall mean the Institution's interest in those certain lots, pieces or parcels of land in Section 20, Block 6619 and Lot 42 (f/k/a 53 and 42), generally known by the street address of 166 Kings Highway, Brooklyn, New York 11223, all as more particularly described in Exhibit A — "Description of the Land", together with all easements, rights and interests now or hereafter appurtenant or beneficial thereto; but excluding, however, any real property or interest therein released pursuant to Section 8.10 of the Loan Agreement.

Lease Agreement shall mean the Lease, dated as of August 29, 2018, between the Institution and the School, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with this Indenture.

Legal Requirements shall mean the Constitutions of the United States and the State of New York and all laws, statutes, codes, acts, ordinances, resolutions, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, certificates of occupancy, directions and requirements (including zoning, land use, planning, environmental protection, air, water and land pollution, toxic wastes, hazardous wastes, solid wastes, wetlands, health, safety, equal opportunity, minimum wage, living wage, prevailing wage, sick leave, healthcare, benefits and employment practices) of all governments, departments, commissions, boards, courts, authorities, agencies, officials and officers, including those of the City, foreseen or unforeseen, ordinary or extraordinary, that are applicable now or may be applicable at any time hereafter to (i) the Institution, (ii) the Facility or any part thereof, or (iii) any use or condition of the Facility or any part thereof.

Loan shall mean the loan made by the Issuer to the Institution pursuant to the Loan Agreement as described in Section 4.1 thereof.

Loan Agreement shall mean the Loan Agreement, dated as of even date herewith, between the Issuer and the Institution, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with this Indenture.

Loan Payment Date shall mean each August 5, September 5, November 5, January 5, March 5 and May 5, commencing on August 5, 2020.

Loss Event shall have the meaning specified in Section 6.1 of the Loan Agreement.

Majority Holders shall mean the Beneficial Owners of at least a majority in aggregate principal amount of the Bonds Outstanding, or, if the Bonds shall cease to be in book-entry form, the Holders of at least a majority in aggregate principal amount of the Bonds Outstanding.

Moody's shall mean Moody's Investors Service Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any

other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

Mortgage shall mean, collectively, the Mortgage and Security Agreement (Acquisition Loan), the Mortgage and Security Agreement (Building Loan) and the Mortgage and Security Agreement (Indirect Loan) relating to the Facility, each dated as of even date herewith, and each from the Institution to the Issuer and the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with this Indenture.

Mortgaged Property shall have the meaning specified in the Mortgage.

Nationally Recognized Bond Counsel shall mean Nixon Peabody LLP or other counsel acceptable to the Issuer and the Trustee and experienced in matters relating to tax exemption of interest on bonds issued by states and their political subdivisions.

Net Proceeds shall mean, when used with respect to any insurance proceeds or condemnation award, compensation or damages, the gross amount of any such proceeds, award, compensation or damages less all expenses (including reasonable attorneys' fees and any extraordinary expenses of the Issuer or the Trustee) incurred in the collection thereof.

Notice Parties shall mean the Issuer, the Institution, the Bondholder Representative, the Bond Registrar, the Paying Agents and the Trustee.

Opinion of Counsel shall mean a written opinion of counsel for the Institution or any other Person (which counsel shall be reasonably acceptable to the Issuer and the Trustee) with respect to such matters as required under any Project Document or as the Issuer or the Trustee may otherwise reasonably require, and which shall be in form and substance reasonably acceptable to the Issuer and the Trustee.

Organization shall mean National Center for Hebrew Language Charter School Excellence and Development, Inc. d/b/a Hebrew Public, a nonstock corporation duly organized and validly existing under the laws of the State of Delaware and exempt from federal taxation pursuant to Section 501(c)(3) of the Code, and its successors and assigns which is the sole member of the Institution, and upon the satisfaction of the conditions set forth in Section 8.31 of the Loan Agreement, shall mean Friends of Hebrew Public, Inc., a New York not-for-profit corporation.

Organizational Documents shall mean, (i) in the case of an Entity constituting a limited liability company, the articles of organization or certificate of formation, and the operating agreement of such Entity, (ii) in the case of an Entity constituting a corporation, the charter, articles of incorporation or certificate of incorporation, and the bylaws of such Entity, and (iii) in the case of an Entity constituting a general or limited partnership, the partnership agreement of such Entity.

Outstanding, when used with reference to a Bond or Bonds, as of any particular date, shall mean all Bonds which have been issued, executed, authenticated and delivered under this Indenture, except:

(i) Bonds cancelled by the Trustee because of payment or redemption prior to maturity or surrendered to the Trustee under this Indenture for cancellation;

(ii) any Bond (or portion of a Bond) for the payment or redemption of which, in accordance with Article XI, there has been separately set aside and held in the applicable subaccount of the Redemption Account of the Bond Fund either:

(A) moneys, and/or

(B) Defeasance Obligations in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications as shall be necessary to provide moneys,

in an amount sufficient to effect payment of the principal or applicable Redemption Price of such Bond, together with accrued interest on such Bond to the payment or redemption date, which payment or redemption date shall be specified in irrevocable instructions given to the Trustee to apply such moneys and/or Defeasance Obligations to such payment on the date so specified, provided, that, if such Bond or portion thereof is to be redeemed, notice of such redemption shall have been given as provided in this Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice; and

(iii) Bonds in exchange for or in lieu of which other Bonds shall have been authenticated and delivered under Article III,

provided, however, that in determining whether the Holders of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder or under any other Security Document, Bonds owned by the Institution or any Affiliate of the Institution shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded. Bonds which have been pledged in good faith may be regarded as Outstanding for such purposes if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Institution or any Affiliate of the Institution.

Participants shall mean those financial institutions for whom the Securities Depository effects book entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

Paying Agent shall mean any paying agent for the Bonds appointed pursuant to this Indenture (and may include the Trustee) and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to this Indenture.

Permitted Encumbrances shall mean:

(i) the Lease Agreement, the Mortgage (as assigned by the Assignment of Mortgage), the Building Loan Agreement, the Pledge and Security Agreement and any other Project Document;

(ii) liens for real estate taxes, assessments, levies and other governmental charges, the payment of which is not yet due and payable;

(iii) any mechanic's, workmen's, repairmen's, materialmen's, contractors', warehousemen's, carriers', suppliers' or vendors' lien, security interest, encumbrance or charge or right in respect thereof, placed on or with respect to the Facility or any part thereof, if payment is not yet due and payable, or if such payment is being disputed pursuant to Section 8.11(b) of the Loan Agreement;

(iv) utility, access and other easements and rights of way, restrictions and exceptions that an Authorized Representative of the Institution certifies to the Issuer and the Trustee will not materially interfere with or impair the Institution's use and enjoyment of the Facility as provided in the Loan Agreement;

(v) such minor defects, irregularities, encumbrances, easements, rights of way and clouds on title as normally exist with respect to property similar in character to the Facility as do not, as set forth in a certificate of an Authorized Representative of the Institution delivered to the Issuer and the Trustee, either singly or in the aggregate, render title to the Facility unmarketable or materially impair the property affected thereby for the purpose for which it was acquired or purport to impose liabilities or obligations on the Issuer;

(vi) those exceptions to title to the Mortgaged Property enumerated in the title insurance policy delivered pursuant to Section 3.7 of the Loan Agreement insuring the Trustee's mortgagee interest in the Mortgaged Property, a copy of which is on file at the offices of the Issuer and at the designated corporate trust office of the Trustee;

(vii) liens arising by reason of good faith deposits with the Institution in connection with the tenders, leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by the Institution to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges;

(viii) any lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable the Institution to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with workmen's compensation, unemployment insurance, old age pensions or other social security, or to share in the privileges or benefits required for companies participating in such arrangements;

(ix) any judgment lien against the Institution, so long as the finality of such judgment is being contested in good faith and execution thereon is stayed;

(x) any purchase money security interest in movable personal property, including equipment leases and financing not to exceed the limitations on incurrence of such indebtedness set forth in the Project Documents;

(xi) liens on property due to rights of governmental entities or third party payors for recoupment of excess reimbursement paid;

(xii) a lien, restrictive declaration or performance mortgage with respect to the operation of the Facility arising by reason of a grant or other funding received by the Institution from the City, the State or any governmental agency or instrumentality;

(xiii) any lien on money (or the investment made with such money) held in any depreciation reserve, debt service reserve, construction, debt service or similar fund and granted by the Institution to secure payment of indebtedness permitted by Continuing Covenant Agreement (including any commitment indebtedness, whether or not then drawn upon), and any lien on money (or the investment made with such money) held in any escrow or similar fund to defease indebtedness permitted by the Continuing Covenant Agreement;

(xiv) any lien on pledges, gifts, or grants to be received in the future, including any income derived from the investment thereof and liens on or in property given, bequested or devised to the owner thereof existing at the time of such gift, bequest or devise, provided that (i) such liens attach solely to the property which is the subject of such gift, bequest or devise, and (ii) the indebtedness secured by such liens is not assumed by the Institution;

(xv) any lien, security interest, encumbrances or charge permitted by the Continuing Covenant Agreement and not otherwise set forth herein; and

(xvi) any lien, security interest, encumbrances or charge which exists in favor of the Trustee or to which the Trustee shall consent in writing (and given at the direction of the Bondholder Representative or, if there is no Bondholder Representative, the Majority Holders).

Pledge and Security Agreement shall mean the Pledge and Security Agreement dated as of even date herewith, from the Institution to the Trustee and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and herewith.

Pledged Collateral shall have the meaning specified in Section 3.1 of the Pledge and Security Agreement.

Person shall mean an individual or any Entity.

Principal Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.01.

Project shall mean the (1) the acquisition of the Land; (2) demolition of the existing improvements located on the Land; (3) construction and furnishing and equipping of an approximately 34,570 square foot building comprised of three above-ground stories for general classroom and administrative use and a cellar with mechanical equipment, together with related site improvements; and (4) payment of capitalized interest and certain costs of the issuance of the Initial Bonds.

Project Costs shall mean:

(i) all costs of engineering and architectural services with respect to the Project, including the cost of test borings, surveys, estimates, permits, plans and specifications and for supervising demolition, construction and renovation, as well as for the performance of all other duties required by or consequent upon the proper construction of, and the making of alterations, renovations, additions and improvements in connection with, the completion of the Project;

(ii) all costs paid or incurred for labor, materials, services, supplies, machinery, equipment and other expenses and to contractors, developers, suppliers, builders and materialmen in connection with the completion of the Project;

(iii) the interest on the Bonds during the construction and renovation of the Project;

(iv) all costs of contract bonds and of insurance that may be required or necessary during the period of Project construction and renovation;

(v) the cost of acquisition of the Facility Realty;

(vi) all costs of title insurance as provided in Section 3.7 of the Loan Agreement;

(vii) the payment of the Costs of Issuance with respect to the Initial Bonds;

(viii) the payment of the fees and expenses of the Trustee during the period of construction and renovation of the Project;

(ix) all costs which the Institution shall be required to pay, under the terms of any contract or contracts, for the completion of the Project, including any amounts required to reimburse the Institution for advances made for any item otherwise constituting a Project Cost or for any other costs incurred and for work done which are properly chargeable to the Project; and

(x) all other costs and expenses relating to the completion of the Project or the issuance of a Series of Additional Bonds.

Unless otherwise expressly set forth in the Tax Regulatory Agreement, "Project Costs" shall not include (i) fees or commissions of real estate brokers, (ii) moving expenses, or (iii) operational costs.

Project Documents shall mean, collectively, the Institution Documents and the Security Documents.

Project Fund shall mean the special trust fund so designated, established pursuant to Section 5.01.

Project Work shall mean (i) the design, construction and/or renovation of the Improvements, including the acquisition of building materials and fixtures and any environmental remediation necessary in connection with the construction and/or renovation, and (ii) the acquisition, whether by title or lease, of the Facility Personalty and any work required to install same.

Promissory Note or **Promissory Notes** shall mean, collectively, the Series 2018A Promissory Note and the Series 2018B Promissory Note with respect to the Initial Bonds, in substantially the form of Exhibit H to the Loan Agreement, and, with respect to any Series of Additional Bonds, that certain Promissory Note in substantially the form of any related Exhibit to an amendment to the Loan Agreement, and shall include in each case any and all amendments thereof and supplements thereto made in conformity with the Loan Agreement and this Indenture.

Purchase Price shall mean an amount equal to the Redemption Price that would be applicable to the Initial Bonds being purchased pursuant to Section 2.03(g) if such Initial Bonds were being optionally redeemed pursuant to Section 2.03(a) on the date such Initial Bonds are being so purchased, plus accrued interest thereon to the date of purchase.

Qualified Investments shall mean, to the extent permitted by applicable law, the following:

(i) Government Obligations;

(ii) obligations rated at the time of purchase in one of the two highest whole rating categories (without regard to graduations within a category) by Moody's or S&P;

(iii) money market funds investing exclusively in Government Obligations;

(iv) shares of an Investment Company organized under the Investment Company Act of 1940, as amended, including an Investment Company for which the Trustee, or any of its affiliates, is investment advisor, which invests its assets substantially in Government Obligations;

(v) commercial paper rated, at the time of purchase, "Prime - 1" by Moody's and "A-1" or better by S&P;

(vi) direct general obligations of any state of the United States or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated "A3" or better by Moody's and "A-" or better by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated, or Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in this section and rated "AA-" or better by S&P and "Aa3" or better by Moody's (any such securities are without regard to exemption of interest from federal taxation);

(vii) forward purchase agreements by a financial institution rated at the time of execution by any Rating Agency in one of three highest rating categories assigned by such Rating Agency (without regard to any refinement or graduation of rating category by numerical modifier or otherwise). Securities eligible for delivery under the agreement will include those described in sections (i) or (ii) above. Any forward purchase agreement must be accompanied by a bankruptcy opinion that the securities delivered will not be considered part of the bankruptcy estate in the event of a declaration of bankruptcy or insolvency by the provider; or

(viii) investment agreements with banks that at the time such agreement is executed are rated by any Rating Agency in one of the three highest rating categories assigned by such Rating Agency (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) or investment agreements with non-bank financial institutions or vehicles if all of the unsecured, direct long-term debt of either the non-banking financial institution, vehicle, or the related guarantor of such non-bank financial institution or vehicle is rated by any Rating Agency at the time such agreement is executed in one of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) for obligations of that nature; or

(A) if such non-bank financial institutions vehicles or related guarantor have no outstanding long-term debt that is rated, all of the short-term debt of either the non-banking financial institution, vehicle, or the related guarantor of such non-bank financial institution is rated by any Rating Agency in the highest rating category (without regard to any refinement or gradation of the rating category by numerical modifier or otherwise) assigned to short-term indebtedness by such Rating Agency or

(B) such non-bank financial institution, vehicle, or the related guarantor has a claims paying ability rated by any Rating Agency in one of the three highest rating categories assigned by such Rating Agency (without regard to any refinement or gradation of rating category by numeral modifier or otherwise); provided that if at any time after purchase the provider of the investment agreement drops below the three highest rating categories assigned by such Rating Agency, the investment agreement must, within 30 days, either be assigned to a provider rated in one of the three highest rating categories, or be secured by the provider with collateral securities described in clause (i) (ii) and (iii) above, the fair market

value of which, in relation to the amount of the investment agreement including principal and interest, is equal to at least 102%.

Rating Agency shall mean any of S&P, Moody's or Fitch and such other nationally recognized securities rating agency as shall have awarded a rating to the Initial Bonds.

Rating Category shall mean one of the generic rating categories of a Rating Agency without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

Rebate Amount shall have the meaning assigned to that term in the Tax Regulatory Agreement.

Rebate Fund shall mean the special trust fund so designated, established pursuant to Section 5.01.

Record Date shall mean, with respect to any Interest Payment Date for the Initial Bonds, the close of business on the first (1st) day of the month of such Interest Payment Date, or, if such day is not a Business Day, the next preceding Business Day.

Redemption Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.01.

Redemption Date shall mean the date fixed for redemption of Bonds subject to redemption in any notice of redemption given in accordance with the terms of this Indenture.

Redemption Price shall mean, with respect to any Bond or a portion thereof, the principal amount thereof to be redeemed in whole or in part, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or this Indenture.

Refunding Bonds shall have the meaning assigned to that term in Section 2.07(c).

Reimbursement Resolution shall mean, as the case may be and as more particularly described in the Tax Regulatory Agreement, the resolution adopted by the Issuer on June 12, 2018 with respect to the Project and the debt financing thereof or the resolution adopted by the Organization on March 26, 2018, with respect to the Project and the debt financing thereof.

Related Security Documents shall mean all Security Documents other than this Indenture.

Renewal Fund shall mean the special trust fund so designated, established pursuant to Section 5.01.

Repair and Replacement Fund shall mean the special trust fund so designated, established pursuant to Section 5.01.

Repair and Replacement Fund Requirement shall mean the greater of (i) $200,000, or (ii) the amount determined pursuant to the most recent Capital Needs Assessment.

Representations Letter shall mean the Blanket Issuer Letter of Representations from the Issuer to DTC with respect to the Initial Bonds.

Required Disclosure Statement shall mean that certain Required Disclosure Statement in the form of Exhibit F — "Form of Required Disclosure Statement" to the Loan Agreement.

Responsible Officer shall mean, with respect to the Trustee, any officer within the corporate trust office of the Trustee, including any vice-president, any assistant vice-president, any secretary, any assistant secretary, the treasurer, any assistant treasurer or other officer of the corporate trust office of the Trustee customarily performing functions similar to those performed by any of the above designated officers, who has direct responsibility for the administration of the trust granted in this Indenture, and shall also mean, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of that officer's knowledge of and familiarity with the particular subject.

Revenue Fund means the special trust fund so designated, established pursuant to Section 5.01.

S&P shall mean S&P Global Ratings, a division of S&P Global, its successors and assigns, and if such limited liability company shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

School shall mean Hebrew Language Academy Charter School 2, a not-for-profit education corporation organized and existing under the laws of the State of New York and exempt from federal taxation pursuant to Section 501(c)(3) of the Code, and its successors and assigns.

Securities Depository shall mean any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record ownership of book-entry interests in the Bonds, and to effect transfers of book-entry interests in the Bonds in book-entry form, and includes and means initially DTC.

Security Documents shall mean, collectively, the Loan Agreement, the Promissory Note, this Indenture, the Tax Regulatory Agreement, the Building Loan Agreement, the Mortgage, the Lease Agreement, the Assignment of Lease, the Pledge and Security Agreement, the Account Control Agreement, the Continuing Covenant Agreement, the Disbursement Agreement, the Agreement to Advance, the Assignment of Development Agreement, the Assignment of Project Agreements and the Assignment of Mortgage.

Series shall mean all of the Bonds designated as being of the same series authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor pursuant to this Indenture.

Series 2018A Bonds shall mean the Issuer's $34,030,000 Revenue Bonds, Series 2018A (Friends of Hebrew Public Borrower, LLC Project), authorized, issued, executed, authenticated and delivered on the Closing Date under this Indenture.

Series 2018A Promissory Note shall mean the Promissory Note in substantially the form of Exhibit H-1 to the Loan Agreement.

Series 2018B Bonds shall mean the Issuer's $1,980,000 Taxable Revenue Bonds, Series 2018B (Friends of Hebrew Public Borrower, LLC Project), authorized, issued, executed, authenticated and delivered on the Closing Date under this Indenture.

Series 2018B Promissory Note shall mean the Promissory Note in substantially the form of Exhibit H-2 to the Loan Agreement

Sinking Fund Installment shall mean an amount so designated and which is established for mandatory redemption on a date certain of the Bonds of any Series of Bonds pursuant to this Indenture. The portion of any such Sinking Fund Installment of a Series of Bonds remaining after the deduction of any amounts credited pursuant to this Indenture toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments of such Series of Bonds due on a future date.

Sinking Fund Installment Account shall mean the special trust account of the Bond Fund so designated, which is established pursuant to Section 5.01.

Special Record Date shall have the meaning specified in Section 2.02(f).

State shall mean the State of New York.

Supplemental Indenture shall mean any indenture supplemental to or amendatory of this Indenture, executed and delivered by the Issuer and the Trustee in accordance with Article XII.

Tax Regulatory Agreement shall mean the Tax Regulatory Agreement, dated the Closing Date, from the Issuer, the Organization, the Institution and the School to the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with this Indenture.

Trustee shall mean The Bank of New York Mellon, New York, New York, in its capacity as trustee under this Indenture, and its successors in such capacity and their assigns hereafter appointed in the manner provided in this Indenture.

Trust Estate shall mean all property, interests, revenues, funds, contracts, rights and other security granted to the Trustee under the Security Documents.

Underwriter shall mean D.A. Davidson & Co.

Yield shall have the meaning assigned to such term in the Tax Regulatory Agreement.

Section 1.02 Construction.

(a) The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this Indenture, refer to this Indenture, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the Closing Date.

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa.

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships and limited liability partnerships), trusts, corporations, limited liability companies and other legal entities, including public bodies, as well as natural persons.

(d) Any headings preceding the texts of the several Articles and Sections of this Indenture, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Indenture, nor shall they affect its meaning, construction or effect.

(e) Unless the context indicates otherwise, references to designated "Exhibits", "Articles", "Sections", "Subsections", "clauses" and other subdivisions are to the designated Exhibits, Articles, Sections, Subsections, clauses and other subdivisions of or to this Indenture.

(f) The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation".

(g) The word "will" shall be construed to have the same meaning and effect as the word "shall".

(h) Any definition of or reference to any agreement, instrument or other document herein shall be construed to refer to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth therein or herein).

(i) Any reference to any Person, or to any Person in a specified capacity, shall be construed to include such Person's successors and assigns or such Person's successors in such capacity, as the case may be.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

Section 2.01 Authorized Amount of Bonds; Pledge Effected by this Indenture. (a) No Bond may be authenticated and delivered under the provisions of this Indenture except in accordance with this Article. Except as provided in Sections 2.07 and 3.07, the total

aggregate principal amount of Bonds that may be authenticated and delivered hereunder is limited to the Authorized Principal Amount.

(b) The proceeds of the Bonds deposited in the Project Fund and certain of the loan payments, receipts and revenues payable under the Loan Agreement, including moneys which are required to be set apart, transferred and pledged to the Revenue Fund, to the Earnings Fund, to the Bond Fund, to the Debt Service Reserve Fund, to the Renewal Fund or to certain special funds, including the investments, if any, thereof (subject to disbursements from such Funds in accordance with the provisions of this Indenture) are pledged by this Indenture for the payment of the principal, Purchase Price or Redemption Price, if any, of, Sinking Fund Installments for, and interest on, the Bonds. All such Funds shall be held by the Trustee in trust for the benefit of the Bondholders, and while held by the Trustee constitute part of the Trust Estate and be subject to the lien hereof. The Rebate Fund and the Repair and Replacement Fund (including, in each case, amounts on deposit therein) shall not be subject to any assignment, pledge, lien or security interest in favor of the Trustee or any Bondholder or any other Person. The Bonds shall be the special limited revenue obligations of the Issuer and shall be payable by the Issuer as to the principal, Purchase Price or Redemption Price, if any, of the Bonds, Sinking Fund Installments for the Bonds, and interest on the Bonds only from the Funds, special funds and loan payments, revenues and receipts pledged therefor. The Bonds are additionally secured by a pledge and assignment of the Promissory Note and substantially all of the Issuer's right, title and interest in and to the Loan Agreement (excluding the Issuer's Reserved Rights). Pursuant to the terms of the Lease Agreement, the Institution has directed the School to make the School's Rent (as defined in the Lease Agreement) payments directly to Institution's bank account that is subject to the Account Control Agreement. Pursuant to the terms of an Account Control Agreement, the Institution will grant a security interest in the Institution's operating account to the Trustee and also authorize the Trustee to transfer the amounts required under this Indenture and the Loan Agreement to the Revenue Fund. In addition, the Institution has granted mortgage liens on and security interests in its fee interests in the Mortgaged Property to the Issuer and the Trustee pursuant to the Mortgage, and the Issuer has assigned its right, title and interest in the Mortgage to the Trustee pursuant to the Assignment of Mortgage. Further, the Institution has granted a lien and security interest in the Pledged Collateral to the Trustee pursuant to the Pledge and Security Agreement.

In no event shall any obligations of the Issuer under this Indenture or the Bonds or under the Loan Agreement or under any other Security Document or related document for the payment of money create a debt of the State or the City and neither the State nor the City shall be liable on any obligation so incurred, but any such obligation shall be a special limited revenue obligation of the Issuer secured and payable solely as provided in this Indenture.

Section 2.02 Issuance and Terms of the Initial Bonds. (a) The Initial Bonds in the Authorized Principal Amount shall be issued under and secured by this Indenture. The Initial Bonds shall be issuable in fully registered form without coupons substantially in the forms set forth in Exhibit C and shall be dated as provided in Section 3.01.

(b) (i) The Series 2018A Bonds shall mature on the dates and in the principal amounts and bear interest at the annual rates, as set forth below:

Maturity Dates	Principal Amount	Interest Rate
June 15, 2052	$34,030,000	5.875%

The Series 2018A Bonds are being issued as draw-down bonds, in that the Initial Beneficial Owners, as the purchasers thereof, will purchase the principal amount of the Series 2018A Bonds in installments, at a 5% discount, in accordance with the terms of and as required by Section 4.01. Accordingly, the principal amount of the Series 2018A Bonds which have been purchased and are outstanding at any given time may be less than the maximum principal amount of the Series 2018A Bonds as described in the preceding paragraph; provided, however, that the principal amount of the Series 2018A Bonds will be drawn in full on the last draw date with respect thereto subject to the provisions of the Agreement to Advance and in accordance with Section 4.01(d). Upon each purchase of a portion of the principal amount of the Series 2018A Bonds in accordance with the terms of Section 4.01, the Trustee will note on a principal log kept by the trustee in the same form as Exhibit A to the forms of the Initial Bonds set forth in Exhibit C the principal amount of the Series 2018A Bonds so purchased, the date of such purchase and the total principal amount of the Series 2018A Bonds then outstanding. The records maintained by the Trustee in such regard will be conclusive evidence of the principal amount of the Series 2018A Bonds which have been purchased and are outstanding, absent manifest error. The principal amount of the Series 2018A Bonds purchased by each Initial Beneficial Owner will be noted by the Trustee on the principal log attached to the Series 2018A Bonds

(ii) The Series 2018B Bonds are not being issued as draw-down bonds and will be fully funded as of the Closing Date. The Series 2018B Bonds shall mature on the dates and in the principal amounts and bear interest at the annual rates, as set forth below:

Maturity Dates	Principal Amount	Interest Rate
June 15, 2027	$1,980,000	7.750%

Interest shall be payable on each Interest Payment Date and shall be computed on the basis of a 360-day year of twelve 30-day months. Notwithstanding anything herein to the contrary, the interest rate borne by the Initial Bonds shall not exceed the maximum permitted by, or enforceable under, applicable law.

(c) Reserved.

(d) Reserved.

(e) The Series 2018A Bonds shall be numbered from AR-1 upward in consecutive numerical order and the Series 2018B Bonds shall be numbered from BR-1 upward in consecutive numerical order. Initial Bonds issued upon any exchange or transfer hereunder shall be numbered in such manner as the Trustee in its discretion shall determine.

(f) The principal of, Sinking Fund Installments for, and Purchase Price or the Redemption Price, if applicable, on all Initial Bonds shall be payable by check or draft at maturity or upon earlier redemption to the Persons in whose names such Initial Bonds are registered on the bond registration books maintained by the Trustee as Bond Registrar at the maturity or redemption date thereof, provided, however, that the payment in full of any Initial Bond either at final maturity or upon redemption in whole shall only be payable upon presentation and surrender of such Initial Bonds, at the designated corporate trust office of the Trustee or of any Paying Agent.

The interest payable on each Initial Bond on any Interest Payment Date shall be paid by the Trustee to the registered owner of such Initial Bond as shown on the bond registration books of the Trustee as Bond Registrar at the close of business on the Record Date for such interest, (1) by check or draft mailed to such registered owner at his address as it appears on the bond registration books or at such other address as is furnished to the Trustee in writing by such owner, or (2) if such Initial Bonds are held by a Securities Depository or, at the written request addressed to the Trustee by any registered owner of Initial Bonds in the aggregate principal amount of at least $1,000,000 that all such payments be made by wire transfer, by electronic transfer in immediately available funds to the bank for credit to the ABA routing number and account number filed with the Trustee no later than five (5) Business Days before an Interest Payment Date, but no later than a Record Date for any interest payment.

Interest on any Initial Bond that is due and payable but not paid on the date due ("**Defaulted Interest**") shall cease to be payable to the owner of such Initial Bond on the relevant Record Date and shall be payable to the owner in whose name such Initial Bond is registered at the close of business on a special record date (the "**Special Record Date**") for the payment of such Defaulted Interest, which Special Record Date shall be fixed in the following manner. It is provided in the Loan Agreement that the Institution shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Initial Bond and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), and shall deposit with the Trustee at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment. Money deposited with the Trustee on account of Defaulted Interest shall be held in trust for the benefit of the owners of the Initial Bonds entitled to such Defaulted Interest as provided in this Section. Following receipt of such funds the Trustee shall fix the Special Record Date for the payment of such Defaulted Interest which shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment and not less than ten (10) days after the receipt of such funds by the Trustee. The Trustee shall promptly notify the Institution of such Special Record Date and, in the name and at the expense of the Institution, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each owner of an Initial Bond entitled to such notice at the address of such owner as it appears on the bond registration books not less than ten (10) days prior to such Special Record Date.

Subject to the foregoing provisions of this Section, each Initial Bond delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Initial Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other

Initial Bond and each such Initial Bond shall bear interest from such date, so that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

(g) The Initial Bonds are issuable in the form of fully registered bonds in the Authorized Denominations.

(h) Anything in the Initial Bonds or in this Indenture to the contrary notwithstanding, the obligations of the Issuer hereunder and under the Initial Bonds shall be subject to the limitation that payments of interest or other amounts on the Initial Bonds shall not be required to the extent that receipt of any such payment by a Holder of an Initial Bond would be contrary to the provisions of law applicable to such Holder which would limit the maximum rate of interest which may be charged or collected by such Holder of an Initial Bond.

Section 2.03 Redemption of Initial Bonds.

(a) **General Optional Redemption.** The Series 2018A Bonds are subject to optional redemption, on or after August 15, 2028, in whole or in part at any time (but if in part in Authorized Denominations) at the option of the Issuer (which option shall be exercised only upon the giving of notice by the Institution of its intention to prepay loan payments due under the Loan Agreement pursuant to Section 4.3(c) thereof), at the Redemption Price of 100% of unpaid principal amount of the Series 2018A Bonds to be redeemed, plus accrued interest to the date of redemption. The Series 2018B Bonds are not subject to optional redemption.

(b) **Extraordinary Redemption.** The Initial Bonds are subject to redemption prior to maturity, at the option of the Issuer exercised at the direction of the Institution (which option shall be exercised only upon the giving of notice by the Institution of its intention to prepay loan payments due under the Loan Agreement pursuant to Section 4.3(c) thereof), as a whole on any date, upon notice or waiver of notice as provided in this Indenture, at a Redemption Price of one hundred percent (100%) of the unpaid principal amount thereof plus accrued interest to the date of redemption, if one or more of the following events shall have occurred:

(i) The Facility shall have been damaged or destroyed to such extent that, as evidenced by a certificate of an Independent Engineer filed with the Issuer and the Trustee, (A) the Facility cannot be reasonably restored within a period of one year from the date of such damage or destruction to the condition thereof immediately preceding such damage or destruction, (B) the Institution is thereby prevented or likely to be prevented from carrying on its normal operation at the Facility for a period of one year from the date of such damage or destruction, or (C) the restoration cost of the Facility would exceed the total amount of all insurance proceeds, including any deductible amount, in respect of such damage or destruction; or

(ii) Title to, or the temporary use of, all or substantially all of the Facility shall have been taken or condemned by a competent authority which taking or condemnation results, or is likely to result, in the Institution being thereby prevented or likely to be prevented from carrying on its normal operation at the Facility for a period of one year from the date of such taking or condemnation, as evidenced by a certificate of an Independent Engineer filed with the Issuer and the Trustee; or

(iii) As a result of changes in the Constitution of the United States of America or of the State or of legislative or executive action of the State or any political subdivision thereof or of the United States of America or by final decree or judgment of any court after the contest thereof by the Institution, the Loan Agreement becomes void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed therein or unreasonable burdens or excessive liabilities are imposed upon the Institution by reason of the operation of the Facility.

If the Initial Bonds are to be redeemed in whole as a result of the occurrence of any of the events described above, the Institution shall deliver to the Issuer and the Trustee a certificate of an Authorized Representative of the Institution stating that, as a result of the occurrence of the event giving rise to such redemption, the Institution has discontinued, or at the earliest practicable date will discontinue, its operation of the Facility for its intended purposes.

(c) **Mandatory Sinking Fund Installment Redemption.** (i) The Series 2018A Bonds shall be subject to mandatory redemption by the Issuer prior to maturity, in part by lot, at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof, together with accrued interest to the date of redemption, from mandatory Sinking Fund Installments on the dates and in the principal amounts set forth below, provided that the amounts of such Sinking Fund Installments shall be reduced by the credits provided for in Sections 5.05(d) and (f):

Sinking Fund Installment Payment Date (June 15)	Sinking Fund Installment	Sinking Fund Installment Payment Date (June 15)	Sinking Fund Installment
2027	$ 550,000	2040	$1,230,000
2028	620,000	2041	1,305,000
2029	660,000	2042	1,380,000
2030	695,000	2043	1,460,000
2031	735,000	2044	1,550,000
2032	780,000	2045	1,640,000
2033	825,000	2046	1,735,000
2034	875,000	2047	1,840,000
2035	925,000	2048	1,945,000
2036	980,000	2049	2,060,000
2037	1,040,000	2050	2,180,000
2038	1,100,000	2051	2,310,000
2039	1,165,000	2052*	2,445,000

(*final maturity)

(ii) The Series 2018B Bonds shall be subject to mandatory redemption by the Issuer prior to maturity, in part by lot, at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof, together with accrued interest to the date of redemption, from mandatory Sinking Fund Installments on the dates and in the principal

amounts set forth below, provided that the amounts of such Sinking Fund Installments shall be reduced by the credits provided for in Sections 5.05(d) and (f):

Sinking Fund Installment Payment Date (June 15)	Sinking Fund Installment
2023	$435,000
2024	465,000
2025	505,000
2026	540,000
2027*	35,000

(*final maturity)

(d) **Mandatory Redemption Upon Failure to Operate the Facility for the Approved Project Operations, Material Violation of Material Legal Requirements, False Representation or Failure to Maintain Liability Insurance**. The Initial Bonds are also subject to mandatory redemption prior to maturity, at the option of the Issuer, as a whole only, in the event (i) the Issuer shall determine that (w) the Institution is operating the Facility or any portion thereof, or is allowing the Facility or any portion thereof to be operated, not for the Approved Project Operations, (x) the Institution, any Principal of the Institution or any Person that directly or indirectly Controls, is Controlled by or is under common Control with the Institution has committed a material violation of a material Legal Requirement, (y) any Conduct Representation is false, misleading or incorrect in any material respect at any date, as if made on such date, or (z) a Required Disclosure Statement delivered to the Issuer under any Project Document is not acceptable to the Issuer acting in its sole discretion, or (ii) the Institution shall fail to obtain or maintain the liability insurance with respect to the Facility required under the Loan Agreement, and, in the case of clause (i) or (ii) above, the Institution shall fail to cure any such default or failure within the applicable time periods set forth in the Loan Agreement following the receipt by the Institution of written notice of such default or failure from the Issuer and a demand by the Issuer on the Institution to cure the same. Any such redemption shall be made upon notice or waiver of notice to the Bondholders as provided in this Indenture, at the Redemption Price of one hundred percent (100%) of the unpaid principal amount of the Initial Bonds, together with interest accrued thereon to the date of redemption.

(e) **Mandatory Taxability Redemption.** Upon the occurrence of a Determination of Taxability, the Initial Bonds shall be redeemed prior to maturity on any date within forty-five (45) days following such Determination of Taxability, at a Redemption Price equal to one hundred and five percent (105%) of the principal amount thereof, together with accrued interest to the date of redemption. The Initial Bonds shall be redeemed in whole.

(f) **Mandatory Redemption from Certain Other Amounts**. The Initial Bonds shall be redeemed at any time in whole or in part by lot prior to maturity in the event and to the extent:

(i) excess Bond proceeds shall remain after the completion of the Project (provided however, for the avoidance of doubt, excess Series 2018A Bond proceeds shall only be used to redeem Series 2018A Bonds and excess Series 2018B Bond proceeds shall only be used to redeem Series 2018B Bonds),

(ii) excess title insurance or property insurance proceeds or condemnation awards shall remain after the application thereof pursuant to the Loan Agreement and this Indenture, or

(iii) excess proceeds shall remain after the release or substitution of Facility Realty or Facility Personalty,

in each case at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Initial Bonds to be redeemed, together with interest accrued thereon to the date of redemption.

(g) **Purchase in Lieu of Optional Redemption.** In lieu of calling the Series 2018A Bonds for optional redemption, the Series 2018A Bonds shall be subject to mandatory tender for purchase at the direction of the Issuer, upon the direction of the Institution, in whole or in part (and, if in part, in such manner as determined by the Institution) on any date on or after August 15, 2028, at a Purchase Price equal to the applicable Redemption Price for any optional redemption of such Series 2018A Bonds as provided in Section 2.03(a), plus accrued interest to the purchase date. Purchases of tendered Series 2018A Bonds may be made without regard to any provision of this Indenture relating to the selection of Series 2018A Bonds in a partial optional redemption. The Series 2018A Bonds purchased pursuant to any mandatory tender(s) are not required to be cancelled, and if not so cancelled (subject to Section 11.6 of the Loan Agreement), shall, prior to any resale by or on behalf of the Institution, not be deemed Outstanding in connection with any subsequent partial optional redemption solely for purposes of those provisions of this Indenture relating to the selection of the Series 2018A Bonds in a partial redemption.

Purchases in lieu of an optional redemption shall be permitted, with the consent of the Issuer, upon the delivery to the Issuer and the Trustee of (i) an opinion of Nationally Recognized Bond Counsel addressed to the Issuer and the Trustee substantially to the effect that (A) such purchases in lieu of optional redemption comply with the provisions of this Indenture and (B) neither such purchases in lieu of an optional redemption nor any transaction directly related thereto will adversely affect the exclusion from gross income of interest on the Series 2018A Bonds for purposes of federal income taxation, and (ii) such other opinions, certificates or documentation as the Issuer may require.

(h) Redemption of Initial Bonds permitted or required by this Article II shall be made as follows, and the Trustee shall give the notice of redemption required by Section 6.03 in respect of each such redemption:

(1) Redemption shall be made pursuant to the general optional redemption provisions of Section 2.03(a) or (b) at such times as are permitted under such Section and, in the case of Section 2.03(a), in such principal amounts, as the

Institution shall request in a written notice to the Trustee in accordance with Section 4.3(c) of the Loan Agreement.

(2) Redemption shall be made pursuant to the mandatory Sinking Fund Installment redemption provisions of Section 2.03(c) as and when required by this Section without the necessity of any request by, or notification from the Issuer or from the Institution, but subject to the provisions of Section 5.05(d) and (f).

(3) Redemption shall be made pursuant to the mandatory redemption provisions of Section 2.03(d) on the date specified therein in the event redemption is required under such circumstances, without the necessity of any instructions or further act of the Institution.

(4) Redemption shall be made pursuant to the mandatory taxability redemption provisions of Section 2.03(e) at the earliest possible date, but no later than forty-five (45) days following the Determination of Taxability, without the necessity of any instructions or further act of the Issuer or the Institution.

(5) Redemption shall be made pursuant to the mandatory redemption provisions of Section 2.03(f) at the earliest possible date following the deposit of the excess proceeds or other amounts in the subaccounts of the Redemption Account of the Bond Fund, without the necessity of any instructions or further act of the Issuer or the Institution.

Section 2.04 Delivery of Initial Bonds. The Initial Bonds shall be executed in the form and manner set forth in this Indenture and shall be deposited with the Trustee and thereupon shall be authenticated by the Trustee. Upon payment to the Trustee of the proceeds of sale of the Initial Bonds including the interest, if any, accrued on the Initial Bonds to the Closing Date, the Initial Bonds shall be delivered by the Trustee on behalf of the Issuer to or upon the order of the purchaser(s) thereof, but only upon receipt by the Trustee of:

(a) a copy, duly certified by the Secretary, Assistant Secretary, Executive Director, Deputy Executive Director or General Counsel of the Issuer, of the Bond Resolution;

(b) an original executed counterpart of all Security Documents;

(c) a written opinion by Nationally Recognized Bond Counsel to the effect that the issuance of the Initial Bonds and the execution thereof have been duly authorized and that all conditions precedent to the delivery thereof have been fulfilled; and

(d) the written order to the Trustee executed by an Authorized Representative of the Issuer to authenticate and deliver the Initial Bonds to the purchaser(s) therein identified upon payment to the Trustee for the account of the Issuer of the purchase price therein specified, plus accrued interest, if any.

Section 2.05 Execution of Bonds. The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel of the Issuer, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the manual or facsimile signature of the Secretary, Assistant Secretary, Executive Director, Deputy Executive Director or General Counsel of the Issuer. Any facsimile signatures shall have the same force and effect as if the appropriate officers had personally signed each of said Bonds. In case one or any of the officers who shall have signed or attested the Bonds or whose reproduced facsimile signature appears thereon shall cease to be such officer or officers before the Bonds so signed and attested shall have been actually issued and delivered, the Bonds may be issued and delivered as though the person who signed or attested or whose reproduced facsimile signature appears on the Bonds had not ceased to be such officer. Neither the members, directors, officers or agents of the Issuer nor any person executing the Bonds shall be liable personally or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 2.06 Authentication. Only such Bonds as shall have endorsed thereon a certificate of authentication, in substantially the form set forth in the Forms of Initial Bonds in Exhibit C, duly executed by the Trustee, shall be entitled to any right or benefit under this Indenture. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Indenture unless and until such certificate of authentication on such Bond shall have been duly executed by the Trustee, and such certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Indenture. The Trustee shall note, with respect to each Bond to be authenticated under this Indenture in the space provided in the certificate of authentication for such Bond, the date of the authentication and delivery of such Bond. The Trustee's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer or signatory of the Trustee, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds.

Section 2.07 Additional Bonds.

(a) So long as the Promissory Note, the Loan Agreement and the other Security Documents are each in effect, and the requirements of the Continuing Covenant Agreement shall have been complied with or the prior written consent of the Bondholder Representative (or, if no Bondholder Representative shall exist, with the prior written consent of the Majority Holders if required by the terms of the Continuing Covenant Agreement) shall have been obtained, one or more Series of Additional Bonds may be issued, authenticated and delivered upon original issuance for the purpose of (i) completing the Project, (ii) providing funds in excess of Net Proceeds to repair, relocate, replace, rebuild or restore the Facility in the event of damage, destruction or taking by eminent domain, (iii) providing extensions, additions or improvements to the Facility, the purpose of which shall be for the Approved Project Operations, or (iv) refunding Outstanding Bonds. Such Additional Bonds shall be payable from the loan payments, receipts and revenues of the Facility including such extensions, additions and improvements thereto. Prior to the issuance of a Series of Additional Bonds and the execution of a Supplemental Indenture in connection therewith, the Issuer and the Institution shall enter into an amendment to the Loan Agreement, and the Institution shall execute a new Promissory Note, which shall provide, among other things, that the loan payments payable by the Institution under the Loan Agreement and the

aggregate amount to be paid under all Promissory Notes shall be increased and computed so as to amortize in full the principal of and interest on such Additional Bonds and any other costs in connection therewith. In addition, the Institution and the Issuer shall enter into an amendment to each Security Document with the Trustee which shall provide that the amounts guaranteed or otherwise secured thereunder be increased accordingly.

(b) Each such Series of Additional Bonds shall be deposited with the Trustee and thereupon shall be authenticated by the Trustee. Upon payment to the Trustee of the proceeds of sale of such Series of Additional Bonds, they shall be made available by the Trustee for pick-up by the order of the purchaser or purchasers thereof, but only upon receipt by the Trustee of:

(1) a copy of the resolution, duly certified by the Secretary, Assistant Secretary, Executive Director, Deputy Executive Director or General Counsel of the Issuer, authorizing, issuing and awarding the Series of Additional Bonds to the purchaser or purchasers thereof and providing the terms thereof and authorizing the execution of any Supplemental Indenture and any amendments of or supplements to the Loan Agreement and any other Security Document to which the Issuer shall be a party;

(2) original executed counterparts of the Supplemental Indenture and an amendment of or supplement to the Loan Agreement expressly providing that, to the extent applicable, for all purposes of the Supplemental Indenture, the Promissory Note, the Loan Agreement, and the Mortgage, the Facility referred to therein and the premises related or subject thereto shall include the buildings, structures, improvements, machinery, equipment or other facilities being financed, and the Bonds referred to therein shall mean and include the Series of Additional Bonds being issued as well as the Initial Bonds and any Series of Additional Bonds theretofore issued;

(3) a written opinion by Nationally Recognized Bond Counsel, to the effect that the issuance of the Series of Additional Bonds and the execution thereof have been duly authorized and that all conditions precedent to the delivery thereof have been fulfilled and that the issuance of the Series of Additional Bonds will not cause the interest on any Series of Bonds Outstanding (other than the Series 2018B Bonds or any other Series of taxable Additional Bonds previously issued) to become includable in gross income for Federal income tax purposes;

(4) except in the case of a Series of Refunding Bonds (defined below) refunding all Outstanding Bonds, a certificate of an Authorized Representative of the Institution to the effect that each Security Document to which it is a party continues in full force and effect and that there is no Event of Default nor any event which upon notice or lapse of time or both would become an Event of Default;

(5) written evidence from each Rating Agency by which any Series of Outstanding Bonds are then rated, if any, to the effect that it has reviewed the documentation pertaining to the issuance of the Series of Additional Bonds, and

that the issuance of such Series of Additional Bonds will not result in a withdrawal, a suspension or a reduction of the long and short-term ratings, if applicable, then assigned to any Series of Outstanding Bonds by such Rating Agency;

(6) an original, executed counterpart of the new Promissory Note and the amendment to each Security Document;

(7) a certificate of an Authorized Representative of the Institution evidencing compliance with the requirements of the Continuing Covenant Agreement to the extent applicable; and

(8) a written order to the Trustee executed by an Authorized Representative of the Issuer to authenticate and make available for pick-up the Series of Additional Bonds to the purchaser or purchasers therein identified upon payment to the Trustee of the purchase price therein specified, plus accrued interest, if any.

(c) (1) Upon the request of the Institution, one or more Series of Additional Bonds may be authenticated and made available for pick-up upon original issuance to refund ("**Refunding Bonds**") all Outstanding Bonds or any Series of Outstanding Bonds or any part of one or more Series of Outstanding Bonds. Bonds of a Series of Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make such deposits required by the provisions of this Indenture and of the resolution authorizing said Series of Refunding Bonds. In the case of the refunding under this Section 2.07 of less than all Bonds Outstanding of any Series or of any maturity within such Series, the Trustee shall proceed to select such Bonds in accordance with Section 6.02.

(2) A Series of Refunding Bonds may be authenticated and made available for pick-up only upon receipt by the Trustee (in addition to the receipt by it of the documents required by Section 2.07(b), as may be applicable) of:

(A) Irrevocable instructions from the Issuer to the Trustee, satisfactory to it, to give due notice of redemption pursuant to Section 6.03 to the Holders of all the Outstanding Bonds to be refunded prior to maturity on the redemption date specified in such instructions; and

(B) Either:

(i) moneys in an amount sufficient to effect payment at maturity or upon redemption at the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the maturity or redemption date, which moneys shall be held by the Trustee or any Paying Agent in a separate account irrevocably in trust for and assigned to the respective Holders of the Outstanding Bonds being refunded, or

(ii) Defeasance Obligations in such principal amounts, having such maturities, bearing such interest, and

otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of Article XI, and any moneys required pursuant to said Section (with respect to all Outstanding Bonds or any part of one or more Series of Outstanding Bonds being refunded), which Defeasance Obligations and moneys shall be held in trust and used only as provided in Article XI.

(2) The Institution shall furnish to the Trustee and the Issuer at the time of delivery of the Series of Refunding Bonds a certificate of an independent certified public accountant stating that the Trustee and/or the Paying Agent (and/or any escrow agent as shall be appointed in connection therewith) hold in trust the moneys or such Defeasance Obligations and moneys required to effect such payment at maturity or earlier redemption.

(d) Each Series of Additional Bonds issued pursuant to this Section shall be equally and ratably secured under this Indenture with the Initial Bonds and all other Series of Additional Bonds, if any, issued pursuant to this Section, without preference, priority or distinction of any Bond over any other Bonds except as expressly provided in or permitted by this Indenture.

(e) No Series of Additional Bonds shall be issued unless the Promissory Note, the Loan Agreement, the Mortgage and the other Security Documents are in effect and, at the time of issuance, there is no Event of Default nor any event which upon notice or lapse of time or both would become an Event of Default.

Section 2.07 CUSIP Numbers. The Issuer in issuing the Bonds may use CUSIP numbers (if then generally in use), and, if so, the Trustee shall use such CUSIP numbers in notices of redemption as a convenience to registered owners; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Bonds, and any such redemption shall not be affected by any defect in or omission of such numbers. The Issuer will promptly notify the Trustee of any change in the CUSIP numbers of which it has actual knowledge.

Section 2.08 Book Entry Bonds.

(a) Except as provided in Section 2.09(c), the Holder of all of the Initial Bonds shall be DTC (the "**Securities Depository**") and the Initial Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of interest for any Initial Bond registered in the name of Cede & Co. shall be made by wire transfer of New York Clearing House or equivalent same day funds to the account of Cede & Co. on the Interest Payment Date for the Initial Bonds at the address indicated for Cede & Co. in the registration books of the Issuer kept by the Trustee. It is anticipated that during the term of the Initial Bonds, the Securities Depository will make book entry transfers among its Participants and receive and transmit payment of principal, Purchase Price or Redemption Price of, Sinking Fund Installments for, redemption premium, if any, and interest on, the Initial Bonds to the Participants until and unless the Trustee authenticates and delivers replacement bonds to the Beneficial Owners as described in Section 2.09(c).

(b) The Initial Bonds shall be initially issued in the form of a separate single authenticated fully registered certificate for each maturity thereof. Upon initial issuance, the ownership of such Initial Bonds shall be registered in the registration books of the Issuer kept by the Trustee in the name of Cede & Co., as nominee of DTC. The Trustee, the Bond Registrar, the Paying Agent and the Issuer shall treat DTC (or its nominee) as the sole and exclusive Holder of the Initial Bonds registered in its name for the purposes of payment of the principal, Sinking Fund Installments, Redemption Price of or interest on the Initial Bonds, selecting the Initial Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Indenture, registering the transfer of Initial Bonds, obtaining any consent or other action to be taken by Holders of the Initial Bonds and for all other purposes whatsoever; and neither the Trustee, the Bond Registrar, the Paying Agent, the Institution nor the Issuer shall be affected by any notice to the contrary. All notices with respect to such Initial Bond shall be made and given, respectively, to DTC as provided in the Representations Letter. Neither the Trustee, the Bond Registrar, the Paying Agent nor the Issuer shall have any responsibility or obligation to any Participant, any Person claiming a beneficial ownership interest in the Initial Bonds under or through DTC or any Participant, or any other Person that is not shown on the registration books of the Trustee as being a Holder, with respect to the accuracy of any records maintained by DTC or any Participant; the payment of DTC or any Participant of any amount in respect of the principal, Sinking Fund Installments, Redemption Price of or interest on the Initial Bonds; any notice that is permitted or required to be given to Bondholders under this Indenture or any other Security Documents; the selection by DTC or any Participant of any Person to receive payment in the event of a partial redemption of the Initial Bonds; or any consent given or other action taken by DTC as Bondholder. The Trustee shall pay all principal, Purchase Price or Redemption Price of, Sinking Fund Installments, redemption premium, if any, and interest on the Initial Bonds only to or "upon the order of" (as that term is used in the Uniform Commercial Code as adopted in the State) DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to the principal, Purchase Price or Redemption Price of, Sinking Fund Installments, redemption premium, if any, and interest on the Initial Bonds to the extent of the sum or sums so paid. Except as otherwise provided in Section 2.09(c), no Person other than DTC shall receive an authenticated Initial Bond certificate evidencing the obligation of the Issuer to make payments of principal, Purchase Price or Redemption Price of, Sinking Fund Installments, redemption premium, if any, and interest on the Initial Bonds pursuant to this Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Indenture with respect to transfers of Bonds, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

(c) In the event the Issuer determines that it is in the best interest of the Beneficial Owners that they be able to obtain Initial Bond certificates, the Issuer may notify DTC and the Trustee, whereupon DTC will notify the Participants, of the availability through DTC of Initial Bond certificates. In such event, the Trustee shall issue, transfer and exchange Initial Bond certificates as requested by DTC in appropriate amounts within the guidelines set forth in this Indenture. DTC may determine to discontinue providing its services with respect to the Initial Bonds at any time by giving written notice to the Issuer and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the Issuer and the Trustee shall be obligated to deliver Initial Bond certificates as described in this Indenture. In the event Initial Bond certificates are issued,

the provisions of this Indenture shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal. Purchase Price or Redemption Price of, Sinking Fund Installments, redemption premium, if any, and interest on such certificates. Whenever DTC requests the Issuer and the Trustee to do so, the Issuer will direct the Trustee (at the sole cost and expense of the Institution) to cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Initial Bonds to any DTC Participant having Initial Bonds credited to its DTC account or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Initial Bonds.

(d) In connection with any notice or other communication to be provided to Bondholders pursuant to this Indenture or any other Security Document by the Issuer or the Trustee with respect to any consent or other action to be taken by Bondholders, the Issuer or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible. Such notice to DTC shall be given only when DTC is the sole Bondholder.

(e) NONE OF THE ISSUER, THE INSTITUTION, THE TRUSTEE OR THE BONDHOLDER REPRESENTATIVE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT, SINKING FUND INSTALLMENTS, REDEMPTION PRICE OF OR INTEREST ON THE INITIAL BONDS; (3) THE DELIVERY BY DTC OR ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS INDENTURE TO BE GIVEN TO BONDHOLDERS; OR (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE INITIAL BONDS.

(f) SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE INITIAL BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE INITIAL BONDHOLDERS OR REGISTERED HOLDERS OF THE INITIAL BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE INITIAL BONDS.

(g) For so long as the Holder of all of the Initial Bonds shall be DTC, and all Initial Bonds shall be registered in the name of Cede & Co. as nominee for DTC, (i) only DTC may tender Initial Bonds upon redemption or retirement in whole and (ii) unless all Initial Bonds are being redeemed or retired in whole, Initial Bonds shall not be required to be presented to the Trustee for payment of principal, Sinking Fund Installments or Redemption Price except upon final maturity or redemption in whole.

(h) In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the Issuer may appoint a successor Securities Depository provided the Trustee receives written evidence satisfactory to the Trustee with respect to the ability of the successor Securities Depository to

discharge its responsibilities. Any such successor Securities Depository shall be a securities depository that is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Trustee upon its receipt of an Initial Bond or Bonds for cancellation shall cause the delivery of an Initial Bond or Bonds to the successor Securities Depository in appropriate Authorized Denominations and form as provided herein.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

Section 3.01 Date of Bonds. The Initial Bonds shall be dated their date of original issuance (subject to the provisions set forth below with respect to transfers and exchanges) and will bear interest from their date at the applicable rate or rates until the entire principal amount of the Initial Bonds has been paid. Bonds authenticated prior to the first Interest Payment Date shall bear interest from their date of original issuance. Bonds issued in exchange for or upon the registration of transfer of Bonds on or after the first Interest Payment Date thereon shall bear interest from and including the Interest Payment Date next preceding the date of the authentication thereof, unless the date of such authentication shall be an Interest Payment Date to which interest on the Bonds has been paid in full or duly provided for, in which case they shall bear interest from and including such Interest Payment Date; provided that if, as shown by the records of the Trustee, interest on the Bonds shall be in default, Bonds issued in exchange for or upon the registration of transfer of Bonds shall bear interest from the date to which interest has been paid in full on the Bonds, or if no interest has been paid on the Bonds, the date of the first delivery of fully executed and authenticated Bonds hereunder.

Section 3.02 Form and Denominations. Bonds shall be issued in fully registered form, without coupons, in any Authorized Denomination not exceeding the aggregate principal amount of Bonds of the same series, maturity and interest rate as the Bond for which the denomination is to be specified. Subject to the provisions of Section 3.03, the Initial Bonds shall be in substantially the form set forth in Exhibit C, with such variations, omissions and insertions as are permitted or required by this Indenture.

Section 3.03 Legends. Each Bond shall contain on the face thereof a statement to the effect that "THIS BOND SHALL NEVER CONSTITUTE A DEBT OR INDEBTEDNESS OF THE STATE OF NEW YORK OR OF THE CITY OF NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR THE CITY OF NEW YORK SHALL BE LIABLE HEREON, NOR SHALL THIS BOND BE PAYABLE OUT OF ANY FUNDS OF THE BUILD NYC RESOURCE CORPORATION OTHER THAN THOSE PLEDGED THEREFOR" and "THIS BOND MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY TO A PERSON CONSTITUTING A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933, AS AMENDED) OR AN "ACCREDITED INVESTOR" (AS DEFINED IN REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED)"; provided, however, that if the Bonds are rated investment grade by a Rating Agency, then, upon the Trustee receiving written notice of the occurrence of such event, this second legend shall no longer be required to be stated on the Bonds. The Bonds may in addition contain or have endorsed thereon such provisions, specifications and

descriptive words not inconsistent with the provisions of this Indenture as may be necessary or desirable to comply with custom or otherwise as may be determined by the Issuer prior to the delivery thereof.

Section 3.04 Medium of Payment. The principal or Redemption Price, if any, of, Sinking Fund Installments for, and interest on the Bonds shall be payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts. Such payment may be made as provided in Section 2.02.

Section 3.05 Bond Details. Subject to the provisions hereof, the Bonds shall be dated, shall mature in such years and such amounts, shall bear interest at such rate or rates per annum, shall be subject to redemption on such terms and conditions and shall be payable as to principal or Redemption Price, if any, Sinking Fund Installments, and interest at such place or places as shall be specified in this Indenture.

Section 3.06 Interchangeability, Transfer and Registry. (a) Each Bond shall be transferable only upon compliance with the restrictions on transfer set forth on such Bond and only upon the books of the Issuer, which shall be kept for the purpose at the designated corporate trust office of the Trustee, by the registered owner thereof in person or by his duly authorized attorney-in-fact, upon surrender of such Bond together with a written instrument of transfer in the form appearing on such Bond duly executed by the registered owner or his duly authorized attorney-in-fact with a guaranty of the signature thereon by a member of the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15. Upon the transfer of any Bond the Trustee shall prepare and issue in the name of the transferee one or more new Bonds of the same aggregate principal amount, related Series, maturity and interest rate as the surrendered Bond.

(b) Each Holder and Beneficial Owner of a Bond, by the purchase and acceptance of such Bond, is deemed to have represented and agreed as follows: (i) it is either a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act of 1933, as amended (the "Securities Act")) or an "accredited investor" (as defined in Regulation D under the Securities Act), and it has acquired such Bond for its own account or for the account of a qualified institutional buyer or an accredited investor, and (ii) it understands and acknowledges that such Bond has not been registered under the Securities Act, and that, if in the future it decides to offer, resell, pledge or otherwise transfer such Bond, such Bond may be offered, resold, pledged or transferred only in accordance with the above transfer restrictions set forth in Section 3.06(a) and only to a Person meeting the requirements set forth in the preceding clause (i); provided however, that if the Bonds are rated investment grade by a Rating Agency, then, upon the Trustee receiving written notice of the occurrence of such event, this Section 3.06(b) shall no longer apply.

(c) Any Bond, upon surrender thereof at the designated corporate trust office of the Trustee in the City with a written instrument of transfer in the form appearing on such Bond, duly executed by the registered owner or his duly authorized attorney-in-fact, with a guaranty of the signature thereon by a member of the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program in accordance with Securities and Exchange

Commission Rule 17Ad-15, may, at the option of the owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same Series, maturity and interest rate of any other Authorized Denominations. However, the Trustee will not be required to (i) transfer or exchange any Bonds during the period between a Record Date and the following Interest Payment Date or during the period of fifteen (15) days next preceding any day for the selection of Bonds to be redeemed, or (ii) transfer or exchange any Bonds selected, called or being called for redemption in whole or in part.

(d) The Issuer, the Bond Registrar, the Trustee and any Paying Agent may deem and treat the Person in whose name any Bond shall be registered as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of, Sinking Fund Installments for, and interest on such Bond and for all other purposes, and all payments made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer, the Institution, the Bond Registrar, the Trustee nor any Paying Agent shall be affected by any notice to the contrary.

(e) In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Issuer or the Trustee may make a charge sufficient to reimburse it for any expenses and any tax, fee or other governmental charge required to be paid in connection therewith; any such expenses shall be paid by the Institution but any such tax, fee or other governmental charge shall be paid by the Holder requesting such transfer or exchange.

Section 3.07 Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer shall execute, and thereupon the Trustee shall authenticate and deliver, a new Bond of like Series, maturity, unpaid principal amount and interest rate as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and in substitution for the Bond destroyed, stolen or lost, upon filing with the Trustee evidence reasonably satisfactory to it that such Bond has been destroyed, stolen or lost, and upon furnishing the Issuer and the Trustee with indemnity (an undertaking from an insurance company acceptable to the Trustee and the Issuer) satisfactory to the Trustee and to the Issuer and complying with such other reasonable regulations as the Trustee may prescribe and paying such expenses as the Issuer and the Trustee may incur. All Bonds so surrendered to the Trustee shall be cancelled by it. Every new Bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is destroyed, lost or stolen, shall, with respect to such Bond, constitute an additional contractual obligation of the Issuer whether or not the destroyed, lost or stolen Bond shall be found and shall be enforceable at any time, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Bonds duly issued hereunder. In the event any such destroyed, stolen or lost Bond shall have matured, or be about to mature, the Issuer may, instead of issuing a new Bond, cause the Trustee to pay the same without surrender thereof upon compliance with the condition in the first sentence of this Section out of moneys held by the Trustee and available for such purpose. All Bonds shall be held and owned upon the express condition (to the extent lawful) that the foregoing provisions are exclusive with respect to the replacement or payment of any mutilated, destroyed or lost or stolen Bond and shall preclude any and all other rights and remedies, notwithstanding any law or statute existing or hereafter enacted

to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

Section 3.08 Cancellation and Destruction of Bonds. All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee when such payment or redemption is made, and such Bonds together with all Bonds purchased by the Trustee, shall thereupon be promptly cancelled. Bonds so cancelled shall be destroyed by the Trustee.

Section 3.09 Requirements With Respect to Transfers. In all cases in which the privilege of transferring Bonds is exercised, the Issuer shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Indenture. All Bonds surrendered in any such transfer shall forthwith be cancelled by the Trustee. For every such transfer of Bonds, the Issuer or the Trustee may, as a condition precedent to the privilege of making such transfer, make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer and may charge a sum sufficient to pay the cost of preparing each new Bond issued upon such transfer, which sum or sums shall be paid by the Person requesting such transfer.

Section 3.10 Bond Registrar. The Trustee shall also be Bond Registrar for the Bonds, and shall maintain a register showing the names of all registered Holders of Bonds, Bond numbers and amounts, and other information appropriate to the discharge of its duties hereunder. The Trustee shall make available to the Institution for its inspection during normal business hours the registration books for the Bonds, as may be requested by the Institution in connection with any purchase or tender offer by it with respect to the Bonds.

Section 3.11 Payments Due on Saturdays, Sundays and Holidays. In any case where any payment date of principal, Sinking Fund Installment and/or interest on the Bonds, or the date fixed for redemption of any Bonds, shall be a day other than a Business Day, then payment of such principal, Sinking Fund Installment and/or interest or the Redemption Price, if applicable, need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the principal, Sinking Fund Installment and/or Interest Payment Date or the date fixed for redemption, as the case may be, except that interest shall continue to accrue on any unpaid principal.

ARTICLE IV

APPLICATION OF BOND PROCEEDS

Section 4.01 Application of Proceeds of Series 2018A Bonds.

(a) It is the intention of the parties that the Series 2018A Bonds shall constitute a draw-down loan, as defined in Treasury Regulation Section 1.150-1(c)(4)(i) and this Indenture shall be construed and the Trustee, the Bondholder Representative, as the purchaser of such Series 2018A Bonds, and the Institution shall operate consistent with such Regulation. The Trustee shall make a notation on the Series 2018A Bonds as to the date and amount of each advance of the draw-down loan.

(b) Upon the receipt by the Trustee of the original proceeds of the sale and delivery of the Series 2018A Bonds on the Draw-Down Date that is also the Closing Date, the Trustee shall deposit such proceeds in accordance with the provisions of Section 4.01(f) below.

(c) Upon the receipt by the Trustee of the proceeds of the sale of the Series 2018A Bonds on each Draw-Down Date after the Closing Date, the Trustee shall deposit such proceeds in accordance with the provisions of the Direction Letter delivered in accordance with the Agreement to Advance.

(d) The Institution shall request an additional loan of the proceeds of the Series 2018A Bonds in writing at least ten (10) Business Days prior to the requested Draw-Down Date. The Institution shall deliver such request to the Issuer, the Trustee and the Bondholder Representative, which request shall include: (i) the requested Draw-Down Date, (ii) the amount of the requested loan; (iii) a copy of the related requisition and supporting materials required for the disbursement of funds from the Project Fund in accordance with Section 5.02(b); (iv) the items required by the Disbursement Agreement and (v) any other information reasonably required by the Bondholder Representative. Upon receipt of such request, the Trustee shall notify the Bondholder Representative of the amount of such request, the amount of the purchase price to be paid by the Bondholder Representative and the Draw-Down Date. The Initial Beneficial Owners shall, if the requirements set forth in this Indenture and the Disbursement Agreement have been satisfied, be required to fund each request up to the maximum aggregate principal amounts of the Series 2018A Bonds. The Institution shall not request an additional loan of the proceeds of the Initial Bonds in an amount less than $1,000,000. The Institution shall not request and the Initial Beneficial Owners shall not fund an additional loan of the proceeds of the Series 2018A Bonds after July 15, 2020; provided, however, if the maximum principal amount of the Series 2018A Bonds has not been loaned prior to such date, then all remaining proceeds of the Series 2018A Bonds shall be loaned on such date in accordance with, and subject to, the provisions of the Agreement to Advance.

(e) The aggregate installments of the sale of the Series 2018A Bonds on each Draw-Down Date shall not exceed the maximum aggregate principal amount of the Series 2018A Bonds. Upon the payment of each purchase price installment of the Series 2018A Bonds to the Trustee, the installment so paid shall constitute an additional loan of the proceeds of the Series 2018A Bonds by the Issuer to the Institution. The amounts funded in such manner shall be duly noted by the Trustee on the principal logs maintained by the Trustee. The Trustee shall maintain on its copy of the principal logs a complete account of all such additions to the loan of the proceeds of the Series 2018A Bonds and the principal amount of the Outstanding Series 2018A Bonds

(f) Upon the receipt by the Trustee of the original proceeds of the sale and delivery of the Series 2018A Bonds, including the amount received as accrued interest, if any, thereon, the Trustee shall apply such proceeds as follows:

(i) $2,121,673.79, shall be deposited in the Series 2018A Capitalized Interest Account of the Project Fund;

(ii) $238,883.04, shall be deposited in the Series 2018A Costs of Issuance Account of the Project Fund and

(iii) $14,440,816.21 being the balance of the proceeds of the Series 2018A Bonds, shall be deposited in the Project Fund.

(g) Upon the receipt by the Trustee of the original proceeds of the sale and delivery of the Series 2018B Bonds, including the amount received as accrued interest, if any, thereon, the Trustee shall apply such proceeds as follows:

(i) $302,035.96, shall be deposited in the Series 2018B Capitalized Interest Account of the Project Fund;

(ii) $71,227.90, being an amount equal to the Debt Service Reserve Fund Requirement with respect to the Series 2018B Bonds, shall be deposited in the Series 2018B Account of the Debt Service Reserve Fund; and

(iii) $1,066,713.10, being the balance of the proceeds of the Series 2018B Bonds, shall be deposited in the Series 2018B Costs of Issuance Account of the Project Fund and applied to Costs of Issuance.

ARTICLE V

CUSTODY AND INVESTMENT OF FUNDS

Section 5.01 Creation of Funds and Accounts.

(a) The Issuer hereby establishes and creates the following special trust Funds and Accounts comprising such Funds:

(1) Revenue Fund

(2) Project Fund

(a) Series 2018A Costs of Issuance Account

(b) Series 2018B Costs of Issuance Account

(c) Series 2018A Capitalized Interest Account

(d) Series 2018B Capitalized Interest Account

(3) Bond Fund

(a) Principal Account; and, within such Principal Account, a Series 2018A subaccount and a Series 2018B subaccount

(b) Interest Account; and, within such Interest Account, a Series 2018A subaccount and a Series 2018B subaccount

(c) Redemption Account; and, within such Redemption Account, a Series 2018A subaccount and a Series 2018B subaccount

(d) Sinking Fund Installment Account; and, within such Sinking Fund Installment Account, a Series 2018A subaccount and a Series 2018B subaccount

(4) Renewal Fund

(5) Earnings Fund

(6) Rebate Fund

(7) Debt Service Reserve Fund

(a) Series 2018A Account

(b) Series 2018B Account

(8) Repair and Replacement Fund

(b) All of the Funds and Accounts created hereunder shall be held by the Trustee. All moneys required to be deposited with or paid to the Trustee for the credit of any Fund or Account under any provision of this Indenture and all investments made therewith shall be held by the Trustee in trust and applied only in accordance with the provisions of this Indenture, and while held by the Trustee shall constitute part of the Trust Estate (subject to the granting clauses of this Indenture), other than the Rebate Fund and the Repair and Replacement Fund, and be subject to the lien hereof.

Section 5.02 Project Fund.

(a) There shall be deposited in the Project Fund any and all amounts required to be deposited therein pursuant to Sections 4.01, 5.06 and 5.07 or otherwise required to be deposited therein pursuant to the Loan Agreement, or this Indenture.

The Trustee shall apply the amounts on deposit in the Project Fund to the payment, or reimbursement to the extent the same have been paid by or on behalf of the Institution or the Issuer, of Project Costs (excluding interest on the Bonds during the period of Project construction and renovation) to the extent requisitioned under subsection (b) hereto. The Trustee shall automatically transfer amounts on deposit in the Series 2018A Capitalized Interest Account of the Project Fund to the Series 2018A subaccount of the Interest Account of the Bond Fund in an amount up to the amount of interest due and payable on the Series 2018A Bonds on the next succeeding Interest Payment Date on or prior to such Interest Payment Date. The Trustee shall automatically transfer amounts on deposit in the Series 2018B Capitalized Interest Account of the Project Fund to the Series 2018B subaccount of the Interest Account of the Bond Fund in an amount up to the amount of interest due and payable on the Series 2018B Bonds on the next succeeding Interest Payment Date on or prior to such Interest Payment Date.

(b) The Trustee is hereby authorized to disburse from the Project Fund amounts required to pay (in whole or in part) the Project Costs and is directed to issue its checks (or, at the direction of the Institution, make wire transfers) for each disbursement from the Project Fund for

the Project Costs, upon a requisition submitted to the Trustee, signed by an Authorized Representative of the Institution and, except for in connection with the initial requisition submitted on the Closing Date which shall not be subject to the following requirements, accompanied by a fully executed Disbursement Request (as defined in the Disbursement Agreement) and on or prior to July 15, 2020 with respect to the disbursement of proceeds of the Series 2018A Bonds only, a Direction Letter; provided, however, that the Trustee shall retain in the Project Fund an amount equal to the greater of (a) $60,000 or (b) the lesser of (i) one percent (1%) of the original principal amount of the Initial Bonds or (ii) $500,000, until an Authorized Representative of the Institution shall have delivered the completion certificate and other documents required by Section 3.2(f) of the Loan Agreement.

The requisition from the Project Fund shall be accompanied by bills or invoices (stamped "paid" by the Person to whom payment was due or with other evidence of payment if reimbursement is to be made to the Institution), including evidence that the bill, invoice or other evidence was not incurred on a date prior to sixty (60) days prior to the date of adoption by the Issuer or the Institution of the Reimbursement Resolution for the Project. Such requisition shall be as set forth in Exhibit D - "Form of Requisition from the Project Fund" and shall be submitted to the Trustee. The Trustee shall disburse amounts from the Project Fund not later than five (5) Business Days following the receipt of the executed requisition and accompanying bills or invoices, except that any such requisition and accompanying bills or invoices submitted on the Closing Date shall have disbursements made by the Trustee on such Closing Date. The Trustee shall be entitled to conclusively rely on the correctness and accuracy of such requisition as well as the propriety of the signature thereon.

In addition to the foregoing, any requisition submitted to the Trustee for costs of construction, improving and/or renovating the Facility Realty shall be accompanied by a notice of title continuation or an endorsement to the title insurance policies theretofore delivered pursuant to Section 3.7 of the Loan Agreement, indicating that since the last preceding disbursement of any amounts held in the Project Fund, there has been no change in the state of title and no exceptions not theretofore approved by the Issuer and the Trustee (which approvals shall not be unreasonably withheld), which notice or endorsement shall contain no exception for inchoate mechanic's liens (and such affirmative insurance relating thereto as the Issuer and/or the Trustee shall reasonably require) and shall have the effect of redating such policies to the date of the disbursement then being made and increasing the coverage of the policies by an amount equal to the disbursement then being made if the policies do not by their terms provide for such an increase.

(c) The Trustee shall keep and maintain adequate records pertaining to the Project Fund and all disbursements therefrom and shall furnish copies of same to the Issuer or the Institution upon reasonable written request.

(d) The Trustee shall on written request furnish to the Issuer and the Institution within a reasonable time period a written statement of disbursements from the Project Fund, enumerating, among other things, item, cost, amount disbursed, date of disbursement and the person to whom payment was made, together with copies of all bills, invoices or other evidences submitted to the Trustee for such disbursement.

(e) The completion of the Project shall be evidenced as set forth in Section 3.2(f) of the Loan Agreement including the filing of the certificate of an Authorized Representative of the Institution referred to therein. Upon the filing of such certificate, the balance in the Project Fund outside of the Series 2018B Costs of Issuance Account in excess of the amount, if any, stated in such certificate for the payment of any remaining part of the costs of the Project, shall, after making any transfer to the Rebate Fund as directed pursuant to the Tax Regulatory Agreement and Section 5.07, be deposited by the Trustee first in the Series 2018A Account of the Debt Service Reserve Fund until such Series 2018A Account has a balance equal to the Debt Service Reserve Fund Requirement as of July 1, 2025 and second, to the extent excess funds remain after the transfer to the Series 2018A Account of the Debt Service Reserve Fund, in the Series 2018A subaccount of the Redemption Account of the Bond Fund. Upon payment of all the costs and expenses incident to the completion of the Project, any balance of such remaining amount in the Project Fund, together with any amount on deposit in the Earnings Fund derived from transfers made thereto from the Project Fund, shall, after making any such transfer to the Rebate Fund, and after first depositing such funds in the Series 2018A Account of the Debt Service Reserve Fund until such Series 2018A Account has a balance equal to the Debt Service Reserve Fund Requirement as of July 1, 2025, be deposited in the Series 2018A subaccount of the Redemption Account of the Bond Fund to be applied to the redemption of Series 2018A Bonds at the earliest practicable date. Upon the filing of such certificate, the balance in the Series 2018B Costs of Issuance Account of the Project Fund in excess of the amount, if any, stated in such certificate for the payment of any remaining Costs of Issuance, shall be deposited by the Trustee in the Series 2018B subaccount of the Redemption Account of the Bond Fund. Upon payment of all the costs and expenses incident to the completion of the Project, any balance of such remaining amount in the Series 2018B Costs of Issuance Account of the Project Fund shall, after depositing in the Series 2018B Account of the Debt Service Reserve Fund an amount equal to any deficiency therein, be deposited in the Series 2018B subaccount of the Redemption Account of the Bond Fund to be applied to the redemption of Series 2018B Bonds at the earliest practicable date. The Trustee shall promptly notify the Institution of any amounts so deposited in the subaccounts of the Redemption Account of the Bond Fund pursuant to this Section 5.02(e).

(f) In the event the Institution shall be required to or shall elect to cause the Bonds to be redeemed in whole pursuant to the Loan Agreement, (i) the balance in the Project Fund outside of the Series 2018B Costs of Issuance Account, in the Earnings Fund (in excess of any amount the Trustee is directed to transfer to the Rebate Fund pursuant to the Tax Regulatory Agreement and Section 5.07) and in the Series 2018A Account of the Debt Service Reserve Fund shall be deposited in the Series 2018A subaccount of the Redemption Account of the Bond Fund, and (ii) the balance in the Series 2018B Costs of Issuance Account of the Project Fund and in the Series 2018B Account of the Debt Service Reserve Fund shall be deposited in the Series 2018B subaccount of the Redemption Account of the Bond Fund. In the event the unpaid principal amount of the Bonds shall be accelerated upon the occurrence of an Event of Default hereunder, (i) the balance in the Project Fund outside of the Series 2018B Costs of Issuance Account, in the Earnings Fund (in excess of any amount the Trustee is directed to transfer to the Rebate Fund pursuant to the Tax Regulatory Agreement and Section 5.07) and in the Series 2018A Account of the Debt Service Reserve Fund shall be deposited in the Series 2018A subaccounts of the accounts of the Bond Fund as provided in Section 8.03, and (ii) the balance in the Series 2018B Costs of Issuance Account of the Project Fund and in the Series 2018B Account of the Debt Service Reserve Fund shall be deposited in the Series 2018B subaccounts of the accounts of the Bond Fund.

(g) Except as provided in Section 5.06, all earnings on amounts held in the Project Fund shall be transferred by the Trustee and deposited in the Earnings Fund. Any transfers by the Trustee of amounts to the Rebate Fund shall first be drawn by the Trustee from the Earnings Fund prior to drawing any amounts from the Project Fund.

Section 5.03 Payments into Renewal Fund; Application of Renewal Fund.

(a) The Net Proceeds resulting from any Loss Event with respect to the Facility, together with any other amounts so required to be deposited therein under the Loan Agreement or the Mortgage, shall be deposited in the Renewal Fund (except as otherwise provided in Section 3.11 of the Mortgage).

In the event the Bonds shall be subject to redemption in whole (either by reason of such Loss Event or otherwise) pursuant to the terms thereof or this Indenture, and the Institution shall have so directed the Trustee in writing within sixty (60) days (which period may be extended for an additional thirty (30) days upon written request of the Institution to the Trustee) of the occurrence of such Loss Event, the Trustee shall, after making any transfer to the Rebate Fund as directed pursuant to the Tax Regulatory Agreement and Section 5.07, transfer the amounts deposited in the Renewal Fund, on a pro rata basis, to the subaccounts of the Redemption Account of the Bond Fund.

If, on the other hand,

(i) the Bonds shall not be subject to optional redemption in whole (whether by reason of such Loss Event or otherwise), or

(ii) the Bonds shall be subject to optional redemption in whole (whether by reason of such Loss Event or otherwise) and the Institution shall have failed to take action to effect such redemption, or

(iii) the Institution shall have notified the Trustee of its intent to rebuild, replace, repair and restore the Facility,

the Trustee shall apply the amounts on deposit in the Renewal Fund, after making any transfer to the Rebate Fund as directed pursuant to the Tax Regulatory Agreement and Section 5.07, to such rebuilding, replacement, repair and restoration.

(b) If an Event of Default shall exist at the time of the receipt by the Trustee of the Net Proceeds in the Renewal Fund, the Trustee shall promptly request the written direction of the Bondholder Representative (or, if no Bondholder Representative exists, the Majority Holders) and shall thereupon apply such Net Proceeds, after making any transfer to the Rebate Fund as directed pursuant to the Tax Regulatory Agreement and Section 5.07, to the rebuilding, replacement, repair and restoration of the Facility, or for deposit, on a pro rata basis, in the subaccounts of the Redemption Account of the Bond Fund, as directed by the Bondholder Representative (or, if no Bondholder Representative exists, the Majority Holders) (or if no such direction shall be received within sixty (60) days after request therefor by the Trustee shall have been made, for deposit, on a pro rata basis, in the subaccounts of the Redemption Account of the Bond Fund).

(c) The Trustee is hereby authorized to apply the amounts in the Renewal Fund to the payment (or reimbursement to the extent the same have been paid by or on behalf of the Institution or the Issuer) of the costs required for the rebuilding, replacement, repair and restoration of the Facility upon written instructions from the Institution. The Trustee is further authorized and directed to issue its checks for each disbursement from the Renewal Fund upon a requisition submitted to the Trustee and signed by an Authorized Representative of the Institution and consented to in writing by the Bondholder Representative, if any. Each such requisition shall be accompanied by bills, invoices or other evidences or documentation (including, without limitation, a title continuation or other evidence that no mechanics or other liens have been filed) satisfactory to the Trustee. The Trustee shall be entitled to rely on such requisition. The Trustee shall keep and maintain adequate records pertaining to the Renewal Fund and all disbursements therefrom and shall furnish copies of same to the Issuer and the Institution upon reasonable written request therefor.

(d) The date of completion of the restoration of the Facility shall be evidenced to the Issuer and the Trustee by a certificate of an Authorized Representative of the Institution stating (i) the date of such completion, (ii) that all labor, services, machinery, equipment, materials and supplies used therefor and all costs and expenses in connection therewith have been paid for or arrangement for payment, reasonably satisfactory to the Trustee, has been made, (iii) that the Facility has been rebuilt, replaced, repaired or restored to substantially its condition immediately prior to the Loss Event, or to a condition of at least equivalent value, operating efficiency and function, (iv) that all property constituting part of the Facility is subject to the terms of the Loan Agreement, and all that property constituting part of the Mortgaged Property is subject to the mortgage liens and security interests of the Mortgage subject to Permitted Encumbrances, (v) the Rebate Amount applicable with respect to the Net Proceeds and the earnings thereon (with a statement as to the determination of the Rebate Amount and a direction to the Trustee of any required transfer to the Rebate Fund), and (vi) that the restored Facility is ready for occupancy, use and operation for its intended purposes. Notwithstanding the foregoing, such certificate shall state (x) that it is given without prejudice to any rights of the Institution against third parties which exist at the date of such certificate or which may subsequently come into being, (y) that it is given only for the purposes of this Section and Section 6.4 of the Loan Agreement, and (z) that no Person other than the Issuer or the Trustee may benefit therefrom. Such certificate shall be accompanied by (i) a certificate of occupancy (either temporary or permanent, provided that if is a temporary certificate of occupancy, the Institution will proceed with due diligence to obtain a permanent certificate of occupancy), if required, and any and all permissions, licenses or consents required of governmental authorities for the occupancy, operation and use of the Facility for the purposes contemplated by the Loan Agreement; (ii) a certificate of an Authorized Representative of the Institution that all costs of rebuilding, repair, restoration and reconstruction of the Facility have been paid in full, together with releases of mechanics' liens by all contractors and materialmen who supplied work, labor, services, materials or supplies in connection with the rebuilding, repair, restoration and reconstruction of the Facility (or, to the extent that any such costs shall be the subject of a bona fide dispute, evidence to the Trustee that such costs have been appropriately bonded or that the Institution shall have posted a surety or security at least equal to the amount of such costs); and (iii) a search prepared by a title company, or other evidence satisfactory to the Trustee, indicating that there has not been filed with respect to the Facility any mechanic's, materialmen's or any other lien in connection with the rebuilding, replacement, repair and

restoration of the Facility and that there exist no encumbrances other than those encumbrances consented to by the Issuer and the Trustee.

(e) All earnings on amounts on deposit in the Renewal Fund shall be transferred by the Trustee and deposited in the Earnings Fund. Any transfers by the Trustee of amounts to the Rebate Fund shall first be drawn by the Trustee from the Earnings Fund prior to drawing any amounts from the Renewal Fund.

(f) Any surplus remaining in the Renewal Fund after the completion of the rebuilding, replacement, repair and restoration of the Facility shall, after making any transfer to the Rebate Fund as directed pursuant to the Tax Regulatory Agreement and Section 5.07, and after depositing, on a pro rata basis, in the accounts of the Debt Service Reserve Fund an amount equal to any deficiency therein, be transferred, on a pro rata basis, by the Trustee to the subaccounts of the Redemption Account of the Bond Fund.

Section 5.04 Payments into Bond Fund. The Trustee shall promptly deposit the following receipts into the Bond Fund:

(a) The interest accruing on any Series of Bonds from the date of original issuance thereof to the date of delivery, which shall be credited to the applicable subaccount of the Interest Account of the Bond Fund and applied to the payment of interest on such Series of Bonds.

(b) (i) Amounts transferred from the Series 2018A Capitalized Interest Account of the Project Fund for the payment of interest on the Series 2018A Bonds during the period of Project Work, which shall be credited to the Series 2018A subaccount of the Interest Account of the Bond Fund and applied to the payment of interest on the Series 2018A Bonds;

(ii) Amounts transferred from the Series 2018B Capitalized Interest Account of the Project Fund for the payment of interest on the Series 2018B Bonds during the period of Project Work, which shall be credited to the Series 2018B subaccount of the Interest Account of the Bond Fund and applied to the payment of interest on the Series 2018B Bonds.

(c) Excess or remaining amounts in the Project Fund required to be deposited (subject to any transfer required to be made to the Rebate Fund in accordance with directions received pursuant to the Tax Regulatory Agreement and Section 5.07, or to the Debt Service Reserve Fund) (i) in the applicable subaccount of the Redemption Account of the Bond Fund pursuant to Section 5.02(e) or the first sentence of Section 5.02(f), which shall be kept segregated from any other moneys within such subaccount, or (ii) in the applicable subaccounts of the accounts of the Bond Fund pursuant to the second sentence of Section 5.02(f).

(d) Loan payments received by the Trustee pursuant to Section 4.3(a)(i), (ii) or (iii), or Section 4.3(i), of the Loan Agreement or transfers from the Revenue Fund pursuant to Section 5.16, which shall be deposited in and credited, to the extent necessary, first to the subaccounts of the Interest Account, second to the subaccounts of the Principal Account, and third to the subaccounts of the Sinking Fund Installment Account of the Bond Fund.

(e) Advance loan payments received by the Trustee pursuant to Section 4.3(c) of the Loan Agreement, which shall be deposited in and credited to the applicable subaccount or subaccounts of the Redemption Account of the Bond Fund.

(f) Any amounts transferred from the Earnings Fund pursuant to Section 5.06(c), which shall be deposited in and credited to the Series 2018A subaccount of the Interest Account of the Bond Fund.

(g) The excess amounts referred to in Section 5.05(d), which shall be deposited in and credited to the applicable subaccount of the Interest Account of the Bond Fund.

(h) Reserved.

(i) Amounts in the Renewal Fund required by Section 5.03 or by the Mortgage to be deposited (subject to any transfer required to be made to the Rebate Fund in accordance with directions received pursuant to the Tax Regulatory Agreement and Section 5.07 or to the Debt Service Reserve Fund to the extent of any deficiency therein) to the applicable subaccounts of the Redemption Account of the Bond Fund pursuant to Section 5.03(f).

(j) All other receipts when and if required by the Loan Agreement or by this Indenture or by any other Security Document to be paid into the Bond Fund, which shall be credited (except as provided in Section 8.03) to the applicable subaccounts of the Redemption Account of the Bond Fund.

(k) Any amounts transferred from the accounts of the Debt Service Reserve Fund pursuant to Section 5.13, which shall be deposited in and credited to the related subaccounts of the Interest Account, the Principal Account, the Sinking Fund Installment Account or the Redemption Account, as the case may be, of the Bond Fund.

Section 5.05 Application of Bond Fund Moneys.

(a) The Trustee shall (i) on each Interest Payment Date pay or cause to be paid out of the applicable subaccount of the Interest Account in the Bond Fund the interest due on the related Series of Bonds, and (ii) further pay out of the applicable subaccounts of the Interest Account of the Bond Fund any amounts required for the payment of accrued interest upon any purchase or redemption (including any mandatory Sinking Fund Installment redemption) of the related Series of Bonds.

(b) The Trustee shall on each principal payment date on the Bonds pay or cause to be paid to the respective Paying Agents therefor out of the applicable subaccounts of the Principal Account of the Bond Fund, the principal amount, if any, due on the related Series of Bonds (other than such as shall be due by mandatory Sinking Fund Installment redemption), upon the presentation and surrender of the requisite Bonds.

(c) There shall be paid from the applicable subaccounts of the Sinking Fund Installment Account of the Bond Fund to the Paying Agents on each Sinking Fund Installment payment date in immediately available funds the amounts required for the Sinking Fund Installment due and payable with respect to the related Series of Bonds which are to be redeemed

from Sinking Fund Installments on such date (accrued interest on such Series of Bonds being payable from the applicable subaccount of the Interest Account of the Bond Fund). Such amounts shall be applied by the Paying Agents to the payment of such Sinking Fund Installment when due. The Trustee shall call for redemption, in the manner provided in Article VI, Bonds for which Sinking Fund Installments are applicable in a principal amount equal to the Sinking Fund Installment then due with respect to such Bonds. Such call for redemption shall be made even though at the time of mailing of the notice of such redemption sufficient moneys therefor shall not have been deposited in the Bond Fund.

(d) Amounts in the subaccounts of the Redemption Account of the Bond Fund shall be applied, at the written direction of the Institution, as promptly as practicable, to the purchase of Bonds of the related Series of Bonds at prices not exceeding the Redemption Price thereof applicable on the earliest date upon which such Bonds are next subject to optional redemption, plus accrued interest to the date of redemption. Any amount in the subaccounts of the Redemption Account not so applied to the purchase of Bonds by forty-five (45) days prior to the next date on which the Bonds of the related Series are so redeemable shall be applied to the redemption of Bonds of such Series on such redemption date. Any amounts deposited in the subaccounts of the Redemption Account and not designated by the Institution in writing to the Trustee for payment of interest or principal on the related Series of Bonds and not applied within twelve (12) months of their date of deposit to the purchase or redemption of such Series of Bonds (except if held in accordance with Article XI) shall be transferred to the applicable subaccount of the Interest Account. Upon the purchase of any Bonds out of advance loan payments as provided in this subsection, or upon the redemption of any Bonds, an amount equal to the principal of such Bonds so purchased or redeemed shall be credited against the next ensuing and future Sinking Fund Installments for such Series of Bonds in chronological order of the due dates of such Sinking Fund Installments until the full principal amount of such Bonds so purchased or redeemed shall have been so credited. The portion of any such Sinking Fund Installment remaining after the deduction of such amounts so credited shall constitute and be deemed to be the amount of such Sinking Fund Installment for the purposes of any calculation thereof under this Indenture. The Bonds to be purchased or redeemed shall be selected by the Trustee in the manner provided in Section 6.02. Amounts in the subaccounts of the Redemption Account to be applied to the redemption of Bonds shall be paid to the respective Paying Agents on or before the redemption date and applied by them on such redemption date to the payment of the Redemption Price of the Bonds being redeemed plus interest on such Bonds accrued to the redemption date.

(e) In connection with purchases of Bonds out of the Bond Fund as provided in this Section, the Institution shall arrange and the Trustee shall execute such purchases (through brokers or otherwise, and with or without receiving tenders) at the written direction of the Institution. The payment of the purchase price shall be made out of the moneys deposited in the related subaccount of the Redemption Account of the Bond Fund and the payment of accrued interest shall be made out of moneys deposited in the related subaccount of the Interest Account of the Bond Fund.

(f) The Issuer shall receive a credit in respect of Sinking Fund Installments for any Bonds which are subject to mandatory Sinking Fund Installment redemption and which are delivered by the Issuer or the Institution to the Trustee on or before the forty-fifth (45th) day next preceding any Sinking Fund Installment payment date and for any Bonds which prior to said date

have been purchased or redeemed (otherwise than through the operation of the Sinking Fund Installment Account) and cancelled by the Trustee and not theretofore applied as a credit against any Sinking Fund Installment (whether pursuant to Section 5.05(d) or otherwise). Each Bond so delivered, cancelled or previously purchased or redeemed shall be credited by the Trustee at one hundred percent (100%) of the principal amount thereof against the obligation of the Issuer on such Sinking Fund Installment payment date with respect to Bonds of such Series and maturity and the principal amount of such Bonds to be redeemed by operation of the subaccounts of the Sinking Fund Installment Account on the due date of such Sinking Fund Installment shall be reduced accordingly, and any excess over such principal amount shall be credited on future Sinking Fund Installments in direct chronological order, and the principal amount of Bonds to be redeemed by application of Sinking Fund Installment payments shall be accordingly reduced.

(g) The Institution shall on or before the forty-fifth (45th) day next preceding each Sinking Fund Installment payment date furnish the Trustee with the certificate of an Authorized Representative of the Institution indicating whether or not and to what extent the provisions of this Section are to be availed of with respect to such Sinking Fund Installment payment, stating, in the case of the credit provided for, that such credit has not theretofore been applied against any Sinking Fund Installment and confirming that immediately available cash funds for the balance of the next succeeding prescribed Sinking Fund Installment payment will be paid on or prior to the next succeeding Sinking Fund Installment payment date.

Section 5.06 Payments into Earnings Fund; Application of Earnings Fund.

(a) All investment income or earnings on amounts held in the Project Fund, the Renewal Fund, the Debt Service Reserve Fund or any other special fund (other than the Rebate Fund, the Repair and Replacement Fund or the Bond Fund) shall be deposited upon receipt by the Trustee into the Earnings Fund. The Trustee shall keep separate accounts of all amounts deposited in the Earnings Fund and by journal entry indicate the Fund source of the income or earnings.

(b) On the first Business Day following each Computation Period (as defined in the Tax Regulatory Agreement), the Trustee shall withdraw from the Earnings Fund and deposit to the Rebate Fund an amount such that the amount held in the Rebate Fund after such deposit is equal to the Rebate Amount calculated as of the last day of the Computation Period. In the event of any deficiency, the balance required shall be provided by the Institution pursuant to the Tax Regulatory Agreement. Computations of the amounts on deposit in each Fund and of the Rebate Amount shall be furnished to the Trustee by the Institution in accordance with the Tax Regulatory Agreement.

(c) The foregoing notwithstanding, the Trustee shall not be required to transfer amounts from the Earnings Fund to the Rebate Fund (and shall instead apply such amounts in the Earnings Fund as provided in the immediately following sentence), if the Institution shall deliver to the Trustee a certificate of an Authorized Representative of the Institution to the effect that (x) the applicable requirements of a spending exception to rebate has been satisfied as of the relevant semiannual period as set forth in the Tax Regulatory Agreement, (y) the proceeds of the Series 2018A Bonds have been invested in obligations the interest on which is not included in gross income for Federal income tax purposes under Section 103 of the Code or (z) the proceeds of the Series 2018A Bonds have been invested in obligations the Yield on which (calculated as set

forth in the Tax Regulatory Agreement) does not exceed the Yield on such Series 2018A Bonds (calculated as set forth in the Tax Regulatory Agreement). Any amounts on deposit in the Earnings Fund following the transfers to the Rebate Fund required by this Section shall be deposited in the Project Fund until the completion of the Project as provided in Section 3.2(f) of the Loan Agreement, and thereafter in the Series 2018A subaccount of the Interest Account of the Bond Fund.

Section 5.07 Payments into Rebate Fund; Application of Rebate Fund.

(a) The Rebate Fund and the amounts deposited therein shall not be subject to a security interest, pledge, assignment, lien or charge in favor of the Trustee, any Bondholder or any other Person.

(b) The Trustee, upon the receipt of a certification of the Rebate Amount (as defined in the Tax Regulatory Agreement) from an Authorized Representative of the Institution, shall deposit in the Rebate Fund within sixty (60) days following each Computation Date (as defined in the Tax Regulatory Agreement), an amount such that the amount held in the Rebate Fund after such deposit is equal to the Rebate Amount calculated as of such Computation Date. If there has been delivered to the Trustee a certification of the Rebate Amount in conjunction with the completion of the Project pursuant to Section 3.2(f) of the Loan Agreement or the restoration of the Facility pursuant to Section 5.03, at any time during a Bond Year, the Trustee shall deposit in the Rebate Fund at that time an amount such that the amount held in the Rebate Fund after such deposit is equal to the Rebate Amount calculated at the completion of the Project or the restoration of the Facility as aforesaid. The amount deposited in the Rebate Fund pursuant to the previous sentences shall be withdrawn from the Earnings Fund. If the amount on deposit in the Rebate Fund following such deposit is less than the Rebate Amount, the Trustee shall promptly deliver a notice stating the amount of such deficiency to the Institution. It is provided in the Loan Agreement that promptly upon receipt of such notice, the Institution shall deliver the amount necessary to make up such deficiency to the Trustee for deposit in the Rebate Fund.

(c) If within sixty (60) days following any Computation Date, the amount on deposit in the Rebate Fund exceeds the Rebate Amount, the Trustee, upon the receipt of written instructions from an Authorized Representative of the Institution, shall withdraw such excess amount and deposit it in the Project Fund until the completion of the Project as provided in Section 3.2(f) of the Loan Agreement, or, after the completion of the Project, deposit it in the Series 2018A subaccount of the Interest Account of the Bond Fund.

(d) The Trustee, upon the receipt of written instructions from an Authorized Representative of the Institution, shall pay to the United States, out of amounts in the Rebate Fund, (i) not less frequently than once each five (5) years after the Closing Date, an amount such that, together with prior amounts paid to the United States, the total paid to the United States is equal to 90% of the Rebate Amount with respect to the Series 2018A Bonds as of the date of such payment and (ii) notwithstanding the provisions of Article XI, not later than thirty (30) days after the date on which all Series 2018A Bonds have been paid in full, 100% of the Rebate Amount as of the date of payment.

Section 5.08 Transfer to Rebate Fund. The Trustee shall have no obligation under this Indenture to transfer any amounts to the Rebate Fund unless the Trustee shall have received specific written instructions from an Authorized Representative of the Institution to make such transfer.

Section 5.09 Investment of Funds and Accounts.

(a) Amounts in any Fund or Account established under this Indenture may, if and to the extent then permitted by law, be invested only in Qualified Investments provided that any Qualified Investment shall not have a maturity date greater than five (5) years from the date of the making of such investment unless such Qualified Investment may be put at par at any time at the option of the owner thereof, and provided, further, that any investment of amounts held in the accounts of the Debt Service Reserve Fund shall be limited to Government Obligations. Any investment herein authorized is subject to the condition that no portion of the proceeds derived from the sale of the Series 2018A Bonds shall be used, directly or indirectly, in such manner as to cause any Series 2018A Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code. In particular, unexpended Series 2018A Bond proceeds transferred from the Project Fund (or from the Earnings Fund with respect to amounts deposited therein from the Project Fund) to the Series 2018A subaccount of the Redemption Account of the Bond Fund pursuant to Section 5.02(e) may not be invested at a Yield (as defined in the Tax Regulatory Agreement) which is greater than the Yield on the Series 2018A Bonds. Such investments shall be made by the Trustee only at the written request of an Authorized Representative of the Institution; and if such investment is to be in one or more certificates of deposit, investment agreements or guaranteed investment contracts, then such written request shall include written assurance to the effect that such investment complies with the Tax Regulatory Agreement. Any investment hereunder shall be made in accordance with the Tax Regulatory Agreement, and the Institution shall so certify to the Trustee with each such investment direction as referred to below. Such investments shall mature in such amounts and at such times as may be necessary to provide funds when needed to make payments from the applicable Fund. Net income or gain received and collected from such investments shall be credited and losses charged to (i) the Rebate Fund with respect to the investment of amounts held in the Rebate Fund, (ii) the Bond Fund with respect to the investment of amounts held in the Bond Fund, (iii) the Repair and Replacement Fund with respect to the investment of amounts held in the Repair and Replacement Fund and (iv) the Earnings Fund with respect to the investment of amounts held in any other Fund.

(b) At the written request of an Authorized Representative of the Institution no sooner than ten (10) days prior to each Loan Payment Date under the Loan Agreement, the Trustee shall notify the Institution of the amount of such net investment income or gain received and collected subsequent to the last such loan payment and the amount then available in the various Accounts of the Bond Fund.

(c) Upon the written direction of an Authorized Representative of the Institution, the Trustee shall sell at the best price reasonably obtainable, or present for redemption or exchange, any obligations in which moneys shall have been invested to the extent necessary to provide cash in the respective Funds or Accounts, to make any payments required to be made therefrom, or to facilitate the transfers of moneys or securities between various Funds and Accounts as may be required from time to time pursuant to the provisions of this Article. The

Trustee shall not be liable for losses incurred as a result of actions taken in good faith in accordance with this Section 5.09(c). As soon as practicable after any such sale, redemption or exchange, the Trustee shall give notice thereof to the Issuer and the Institution.

(d) Neither the Trustee nor the Issuer shall be liable for any loss arising from, or any depreciation in the value of any obligations in which moneys of the Funds and Accounts shall be invested in accordance with this Indenture. The investments authorized by this Section 5.09 shall at all times be subject to the provisions of applicable law, as amended from time to time.

(e) In computing the amount in any Fund or Account, obligations purchased as an investment of moneys therein shall be valued at fair market value as determined by the Trustee one month prior to each Interest Payment Date.

The fair market value of Qualified Investments shall be determined as follows:

(i) as to investments the bid and asked prices of which are published on a regular basis in *The Wall Street Journal* (or, if not there, then in *The New York Times*), the average bid and asked prices for such investments so published on or most recently prior to such time of determination;

(ii) as to investments the bid and asked prices of which are not published on a regular basis in *The Wall Street Journal* or *The New York Times*, the average bid price at such nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or as quoted in the Interactive Data Service; and

(iii) as to certificates of deposit and bankers acceptances and other investments, the face amount thereof, plus accrued interest.

If more than one provision of this definition of "fair market value" shall apply at any time to any particular investment, the fair market value thereof at such time shall be determined in accordance with the provision establishing the lowest value for such investment.

(f) In the case of the Debt Service Reserve Fund, a "surplus" means the amount by which the amount on deposit in the accounts therein is in excess of the Debt Service Reserve Fund Requirement with respect to the related Series of Bonds. On each Debt Service Reserve Fund Valuation Date, and upon any withdrawal from the Debt Service Reserve Fund, the Trustee shall determine the amount on deposit in the accounts of the Debt Service Reserve Fund. If on any such date a deficiency exists, the Trustee shall notify the Issuer, the Bondholder Representative and the Institution of such deficiency and that such deficiency must be replenished by the Institution as required by Section 4.3(a)(vi) of the Loan Agreement. If a surplus exists, the Trustee shall notify the Issuer and the Institution thereof and, subject to the requirements of the Tax Regulatory Agreement, shall upon written instructions of the Institution transfer an amount equal to such surplus to the Project Fund until the completion of the Project as provided in Section 3.2(f) of the Loan Agreement and thereafter shall transfer such amount to the applicable subaccount of the Interest Account of the Bond Fund.

Section 5.10 Application of Moneys in Certain Funds for Retirement of Bonds. Notwithstanding any other provisions of this Indenture, if on any Interest Payment Date or redemption date the amounts held in the Funds established under this Indenture (other than the Earnings Fund and the Rebate Fund) are sufficient to pay one hundred percent (100%) of the principal or Redemption Price, as the case may be, of all Outstanding Bonds and the interest accruing on such Bonds to the next date on which such Bonds are redeemable or payable, as the case may be, whichever is earlier, the Trustee shall so notify the Issuer and the Institution. Upon receipt of written instructions from an Authorized Representative of the Institution directing such redemption, the Trustee shall proceed to redeem all such Outstanding Bonds in the manner provided for redemption of such Bonds by this Indenture.

Section 5.11 Repayment to the Institution from the Funds. After payment in full of the Bonds (in accordance with Article XI) and the payment of all fees, charges and expenses of the Issuer, the Trustee, the Bondholder Representative, the Bond Registrar and the Paying Agents and all other amounts required to be paid hereunder and under each of the Security Documents, and the payment of any amounts which the Trustee is directed to rebate to the Federal government pursuant to this Indenture and the Tax Regulatory Agreement, all amounts remaining in any Fund shall be paid to the Institution upon the expiration or sooner termination of the term of the Loan Agreement as provided in Section 4.3(g) of the Loan Agreement.

Section 5.12 Non-presentment of Bonds. In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity, or at the date fixed for redemption thereof, or otherwise, and funds sufficient to pay any such Bond shall have been made available to the Trustee for the benefit of the Holder or Holders thereof, together with interest to the date on which principal is due, all liability of the Issuer to the Holder thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to pay such funds to the Person entitled thereto or if the Person is not known to the Trustee, to hold such funds, without liability for interest thereon, for the benefit of the Holder of such Bond, who shall thereafter be restricted exclusively to such funds, for any claim of whatever nature on his part under this Indenture or on, or with respect to, such Bond. Such amounts so held shall, pending payment to the Holder of such Bond, (y) be subject to any rebate requirement as set forth in the Tax Regulatory Agreement or this Indenture, and (z) shall be uninvested, or, if invested, invested or re-invested only in Government Obligations maturing within thirty (30) days. Funds remaining with the Trustee as above and unclaimed for the earlier of two (2) years or one month less than the applicable statutory escheat period shall be paid to the Institution. After the payment of such unclaimed moneys to the Institution, the Holder of such Bond shall thereafter look only to the Institution for the payment thereof, and all obligations of the Trustee or such Paying Agent with respect to such moneys shall thereupon cease.

Section 5.13 Debt Service Reserve Fund.

(a) If on any Interest Payment Date or redemption date on the Bonds the amount in the applicable subaccount of the Interest Account of the Bond Fund (after taking into account amounts available to be transferred to such subaccount of the Interest Account from the Project Fund) shall be less than the amount of interest then due and payable on the Bonds of the related Series, or if on any principal payment date on the Bonds the amount in the applicable subaccount of the Principal Account shall be less than the amount of principal of the Bonds of the related

Series then due and payable, or if on any Sinking Fund Installment payment date for the Bonds the amount in the applicable subaccount of the Sinking Fund Installment Account of the Bond Fund shall be less than the amount of the Sinking Fund Installment then due and payable on the Bonds of the related Series, in each case, after giving effect to all payments received by the Trustee in immediately available funds by 10:00 a.m. (New York City time) on such date from or on behalf of the Institution or the Issuer on account of such interest, principal or Sinking Fund Installment, the Trustee forthwith shall transfer moneys from the related account of the Debt Service Reserve Fund, first, to such subaccount of the Interest Account, second to such subaccount of the Principal Account, and third, to such subaccount of the Sinking Fund Installment Account, all to the extent necessary to make good any such deficiency.

(b) The Trustee shall give to the Institution on or prior to each Loan Payment Date on which the Institution is obligated pursuant to Section 4.3(a)(vi) of the Loan Agreement to pay to the Trustee amounts in respect of any deficiency in the accounts of the Debt Service Reserve Fund, telephonic notice (to be promptly confirmed in writing) specifying any such deficiency in the Debt Service Reserve Fund. The failure of the Trustee to deliver such notice or any defect in such notice shall not relieve the Issuer from any of its obligations hereunder or any other obligor from any of its obligations under any of the Security Documents.

In the event that the Institution shall deliver written notice to the Trustee of its intention to redeem Bonds, the Institution may direct the Trustee to apply such amounts in the accounts of the Debt Service Reserve Fund to effect such redemption such that the amount remaining in the accounts of the Debt Service Reserve Fund upon such redemption shall not be less than the reduced Debt Service Reserve Fund Requirement as will be applicable to each Series of the remainder of the Bonds Outstanding.

(c) Upon the payment in full of the Series 2018B Bonds, all amounts on deposit in the Series 2018B Account of the Debt Service Reserve Fund shall be transferred by the Trustee to the Series 2018A Account of the Debt Service Reserve Fund to the extent such Series 2018A Account has a balance less than the Debt Service Reserve Fund Requirement as of June 15, 2027. If there are funds remaining in the Series 2018B Account of the Debt Service Reserve Fund after such transfer, such funds shall be transferred to the applicable subaccount of the Interest Account of the Bond Fund and used to pay interest on the Series 2018A Bonds.

Section 5.14 Repair and Replacement Fund.

(a) There shall be deposited into the Repair and Replacement Fund as and when received (a) all payments by the Institution pursuant to Section 8.28 of the Loan Agreement, (b) all other moneys deposited into the Repair and Replacement Fund pursuant to the Loan Agreement or this Indenture, and (c) all other moneys received by the Trustee when accompanied by directions not inconsistent with the Loan Agreement or this Indenture that such moneys are to be paid into the Repair and Replacement Fund. There shall also be retained in the Repair and Replacement Fund, interest and other income received on investment of moneys in the Repair and Replacement Fund to the extent provided in this Section 5.14. Any amounts on deposit in the Repair and Replacement Fund in excess of the Repair and Replacement Fund Requirement shall be transferred by the Trustee, on a pro rata basis, to the subaccounts of the Interest Account of the Bond Fund and applied to the payment of the interest on the Bonds; provided, however, that the amount

remaining in the Repair and Replacement Fund immediately after such transfer shall not be less than the Repair and Replacement Fund Requirement.

(b) The Repair and Replacement Fund shall be in the custody of the Trustee, and, absent an Event of Default hereunder, the Trustee is hereby authorized and directed to make each disbursement authorized or required by the provisions of this Section 5.14 and to issue its checks therefor. The Trustee shall keep and maintain adequate records pertaining to the Repair and Replacement Fund and all disbursements therefrom and shall annually file an accounting thereof with the Issuer and the Institution.

(c) Payments shall be made from the Repair and Replacement Fund upon receipt by the Trustee of a written requisition from an Authorized Representative of the Institution consented to in writing by the Bondholder Representative, if any, setting forth the amount and the payee for the purpose of paying the cost of extraordinary maintenance and replacements which may be required to keep the Facility in sound condition, including but not limited to replacement of equipment, replacement of any roof or other structural component, exterior painting and the replacement of heating, air conditioning, plumbing and electrical equipment.

(d) Any interest or other gain realized as a result of any investments or reinvestments of moneys in the Repair and Replacement Fund shall be credited to the Repair and Replacement Fund if the amount therein is less than the Repair and Replacement Fund Requirement. If the amount in the Repair and Replacement Fund is greater than the Repair and Replacement Fund Requirement, such amount in excess of the Repair and Replacement Fund Requirement shall be paid monthly, on a pro rata basis, into the subaccounts of the Interest Account of the Bond Fund.

(e) If on any Interest Payment Date or redemption date on the Bonds the amount in the applicable subaccount of the Interest Account of the Bond Fund (after taking into account amounts available to be transferred to such subaccount of the Interest Account from the Project Fund) shall be less than the amount of interest then due and payable on the Bonds of the related Series, or if on any principal payment date on the Bonds the amount in the applicable subaccount of the Principal Account shall be less than the amount of principal of the Bonds of the related Series then due and payable, or if on any Sinking Fund Installment payment date for the Bonds the amount in the applicable subaccount of the Sinking Fund Installment Account of the Bond Fund shall be less than the amount of the Sinking Fund Installment then due and payable on the Bonds of the related Series, in each case, after giving effect to all payments received by the Trustee in immediately available funds by 10:00 a.m. (New York City time) on such date from or on behalf of the Institution or the Issuer on account of such interest, principal or Sinking Fund Installment, the Trustee forthwith shall transfer moneys from the Repair and Replacement Fund, first, to such subaccount of the Interest Account, second to such subaccount of the Principal Account, and third, to such subaccount of the Sinking Fund Installment Account, all to the extent necessary to make good any such deficiency.

Section 5.15 Payments into the Revenue Fund. Unless otherwise provided herein, the Trustee shall promptly deposit all amounts received from the Institution or transferred pursuant to Section 5.17 into the Revenue Fund.

Section 5.16 Application of Revenue Fund Moneys.

(a) Amounts in the Revenue Fund shall be transferred by the Trustee on each Loan Payment Date commencing on the August 5, 2020 Loan Payment Date, to the following Funds and Accounts in the following manner and in the order of priority indicated, provided that in the event funds on any Loan Payment Date are insufficient to make any one or more of such transfers, any and all of such deficiencies will be remedied prior to making any transfers to any subordinated funds (based on the following order of priority) on any future Loan Payment Date:

(i) First, to the Bond Fund:

(1) For deposit into the subaccounts of the Interest Account of the Bond Fund, an amount equal (i) to one-third (1/3) (or such other pro-rated amount, adjusted as necessary) of the amount of interest that will become due on the Bonds on the next Interest Payment Date, including default interest (after taking into account any amounts on deposit in the Interest Account of the Bond Fund, and as shall be available to pay interest on the Bonds on such next succeeding Interest Payment Date);

(2) commencing on that Loan Payment Date as shall precede the first principal payment date (other than such principal as shall become due as a mandatory Sinking Fund Installment payment) by six (6) Loan Payment Dates, for deposit into the subaccounts of the Principal Account of the Bond Fund, an amount equal to at least one sixth (1/6) (or such other pro-rated amount, adjusted as necessary) of the amount of the principal of the Bonds Outstanding becoming due (other than by reason of mandatory Sinking Fund Installments); and

(3) commencing on that Loan Payment Date as shall precede the first Sinking Fund Installment payment date by six (6) Loan Payment Dates, for deposit into the subaccounts of the Sinking Fund Installment Account of the Bond Fund, an amount equal to at least one sixth (1/6) (or such other pro-rated amount, adjusted as necessary) of the amount of the next Sinking Fund Installment to become due on the Bonds.

(ii) Second, if the amount on deposit in the accounts of the Debt Service Reserve Fund shall be less than the Debt Service Reserve Fund Requirement, an amount equal to one sixth (1/6th) of such deficiency in the accounts of the Debt Service Reserve Fund for deposit in the applicable account of the Debt Service Reserve Fund;

(iii) Third, each August 5, commencing August 5, 2021 and continuing through and including August 5, 2025, an amount equal to $259,082.50 (or $259,082.51 on August 5, 2025) for deposit in the Series 2018A Account of the Debt Service Reserve Fund; provided, however, that no additional payments shall be made into the Series 2018A Account of the Debt Service Reserve Fund once the balance therein is equal to the Debt Service Reserve Fund Requirement as of such date;

(iv) Fourth, to the Rebate Fund to pay any amounts required to be rebated to the Federal government pursuant to the Indenture or the Tax Regulatory Agreement;

(v) Fifth, to the Repair and Replacement Fund, initially $50,000 on each Loan Payment Date until the amount on deposit in the Repair and Replacement Fund equals the Repair and Replacement Fund Requirement, and commencing August 5, 2023 and each Loan Payment Date thereafter, an amount each Loan Payment Date as shall be necessary such that the amount on deposit in the Repair and Replacement Fund is equal to the Repair and Replacement Fund Requirement within the applicable five-year time period;

(vi) Sixth, if at any time on or after July 1, 2023, the balance in the Repair and Replacement Fund is less than $200,000, to the Repair and Replacement Fund, the amount necessary each Loan Payment Date, in addition to the amounts required to be deposited therein pursuant to clause fifth above, if necessary, such that the Repair and Replacement Fund shall have a balance of at least $200,000 by the end of the following Fiscal Year;

(vii) Seventh, to the Bondholder Representative, to pay fees and expenses submitted in accordance with Section 10.03 hereof; and

(viii) Eighth, all remaining funds shall be paid to the Institution and used for any authorized purpose.

Section 5.17 Account Control Agreement.

(a) The Trustee is hereby directed to enter into the Account Control Agreement.

(b) The Trustee hereby acknowledges the automatic transfers to be made pursuant to the Account Control Agreement. The Trustee is hereby directed to transfer such monies held pursuant to the Account Control Agreement in the amounts set forth in Exhibit 3 to the Account Control Agreement to the Revenue Fund promptly upon receipt thereof, but in no event later than two (2) Business Days after receipt.

ARTICLE VI

REDEMPTION OF BONDS

Section 6.01 Privilege of Redemption and Redemption Price. Bonds or portions thereof subject to redemption prior to maturity shall be redeemable, upon mailed notice as provided in this Article, at the times, at the Redemption Prices and upon such terms in addition to and consistent with the terms contained in this Article as shall be specified in this Indenture and in said Bonds.

Section 6.02 Selection of Bonds to be Redeemed. In the event of redemption of less than all the Outstanding Bonds of the same Series and maturity, the particular Bonds or portions thereof to be redeemed shall be selected by the Trustee in such manner as the Trustee in its discretion may deem fair, except that (i) Bonds of a Series to be redeemed from Sinking Fund

Installments shall be redeemed by lot, and (ii) to the extent practicable, the Trustee shall select Bonds of a Series for redemption such that no Bond of such Series shall be of a denomination of less than the Authorized Denomination for such Series of Bonds. In the event of redemption of less than all the Outstanding Bonds of the same Series stated to mature on different dates, the principal amount of such Series of Bonds to be redeemed shall be applied in inverse order of maturity of the Outstanding Series of Bonds to be redeemed and by lot within a maturity. The portion of Bonds of any Series to be redeemed in part shall be in the principal amount of the minimum Authorized Denomination thereof or some integral multiple thereof and, in selecting Bonds of a particular Series for redemption, the Trustee shall treat each such Bond as representing that number of Bonds of such Series which is obtained by dividing the principal amount of such registered Bond by the minimum Authorized Denomination thereof (referred to below as a "unit") then issuable rounded down to the integral multiple of such minimum Authorized Denomination. If it is determined that one or more, but not all, of the units of principal amount represented by any such Bond is to be called for redemption, then, upon notice of intention to redeem such unit or units, the Holder of such Bond shall forthwith surrender such Bond to the Trustee for (a) payment to such Holder of the Redemption Price of the unit or units of principal amount called for redemption and (b) delivery to such Holder of a new Bond or Bonds of such Series in the aggregate unpaid principal amount of the unredeemed balance of the principal amount of such Bond. New Bonds of the same Series and maturity representing the unredeemed balance of the principal amount of such Bond shall be issued to the registered Holder thereof, without charge therefor. If the Holder of any such Bond of a denomination greater than a unit shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption (and to that extent only).

Section 6.03 Notice of Redemption. When redemption of any Bonds is requested or required pursuant to this Indenture, the Trustee shall give notice of such redemption in the name of the Issuer, specifying the name of the Series, CUSIP number, Bond numbers, the date of original issue of such Series, the date of mailing of the notice of redemption, maturities, interest rates and principal amounts of the Bonds or portions thereof to be redeemed, the redemption date, the Redemption Price, and the place or places where amounts due upon such redemption will be payable (including the name, address and telephone number of a contact person at the Trustee) and specifying the principal amounts of the Bonds or portions thereof to be payable and, if less than all of the Bonds of any maturity are to be redeemed, the numbers of such Bonds or portions thereof to be so redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond or portion thereof to be redeemed the Redemption Price thereof together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice may set forth any additional information relating to such redemption. The Trustee, in the name and on behalf of the Issuer, (i) shall mail a copy of such notice by first class mail, postage prepaid, not more than sixty (60) nor less than thirty (30) days prior to the date fixed for redemption, to the registered owners of any Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registration books, but any defect in such notice shall not affect the validity of the proceedings for the redemption of such Series of Bonds with respect to which proper mailing was effected; and (ii) cause notice of such redemption to be sent to a national information service that disseminates redemption notices. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. In the event of a

postal strike, the Trustee shall give notice by other appropriate means selected by the Trustee in its discretion. If any Bond shall not be presented for payment of the Redemption Price within sixty (60) days of the redemption date, the Trustee shall mail a second notice of redemption to such Holder by first class mail, postage prepaid. Any amounts held by the Trustee due to non-presentment of Bonds for payments on or after any redemption date shall be retained by the Trustee for a period of at least one year after the final maturity date of such Bonds. Further, if any Holders of Bonds shall constitute registered depositories, the notice of redemption described in the first sentence of this Section 6.03 shall be mailed to such Holders at least two (2) days prior to the mailing of such notice to all Holders.

If notice of redemption shall have been given as aforesaid, the Bonds of such Series called for redemption shall become due and payable on the redemption date, provided, however, that with respect to any optional redemption of the Bonds of a Series, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds of such Series to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Issuer shall not be required to redeem the Bonds of such Series. In the event that such notice of optional redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. If a notice of optional redemption shall be unconditional, or if the conditions of a conditional notice of optional redemption shall have been satisfied, then upon presentation and surrender of the Bonds of such Series so called for redemption at the place or places of payment, such Series of Bonds shall be redeemed.

Under no circumstances shall the Trustee be required to expend any of its own funds for any purpose for which funds are to be disbursed under this Indenture.

So long as the Securities Depository is effecting book entry transfers of the Bonds, the Trustee shall provide the notices specified above only to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a Beneficial Owner of a Bond (having been mailed notice from the Trustee, the Securities Depository, a Participant or otherwise) to notify the Beneficial Owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

Section 6.04 Payment of Redeemed Bonds.

(a) Notice having been given in the manner provided in Section 6.03, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption dates so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date. If, on the redemption date, moneys for the redemption of all the Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be held by the Paying Agents so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date, (i) interest on the Bonds or portions thereof so called for redemption shall cease to accrue and become payable, (ii) the Bonds or portions thereof so called

for redemption shall cease to be entitled to any lien, benefit or security under this Indenture, and (iii) the Holders of the Bonds or portions thereof so called for redemption shall have no rights in respect thereof, except to receive payment of the Redemption Price together with interest accrued to the redemption date. If said moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

(b) Payment of the Redemption Price plus interest accrued to the redemption date shall be made to or upon the order of the registered owner only upon presentation of such Bonds for cancellation and exchange as provided in Section 6.05; provided, however, that any Holder of at least $1,000,000 in original aggregate principal amount of the Initial Bonds may, by written request to the Trustee no later than five (5) days prior to the date of redemption, direct that payments of Redemption Price and accrued interest to the date of redemption be made by wire transfer as soon as practicable after tender of the Bonds in Federal funds at such wire transfer address as the owner shall specify to the Trustee in such written request.

Section 6.05 Cancellation of Redeemed Bonds.

(a) All Bonds redeemed in full under the provisions of this Article, shall forthwith be cancelled and returned to the Issuer and no Bonds shall be executed, authenticated or issued hereunder in exchange or substitution therefor, or for or in respect of any paid portion of a Bond.

(b) If there shall be drawn for redemption less than all of a Bond, as described in Section 6.02, the Issuer shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, a Bond or Bonds of like Series and maturity in any of the authorized denominations.

Section 6.06 No Partial Redemption After Default. Anything in this Indenture to the contrary notwithstanding, if there shall have occurred and be continuing an Event of Default hereunder, there shall be no redemption of less than all of the Bonds Outstanding.

ARTICLE VII

PARTICULAR COVENANTS

Section 7.01 Payment of Principal and Interest. The Issuer covenants that it will from the sources herein contemplated promptly pay or cause to be paid the principal of, Sinking Fund Installments for, and interest on the Bonds, and the Purchase Price or Redemption Price, if any, together with interest accrued thereon to the date of redemption, at the place, on the dates and in the manner provided in this Indenture and in the Bonds according to the true intent and meaning thereof.

Section 7.02 Performance of Covenants; Authority. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all proceedings pertaining thereto. The Issuer covenants that it is duly

authorized under the Constitution and laws of the State, including particularly its Organizational Documents, to issue the Bonds authorized hereby and to execute this Indenture, to make the Loan to the Institution pursuant to the Loan Agreement and the Promissory Note, to assign the Loan Agreement and the Promissory Note, to execute and deliver the Assignment of Mortgage, and to pledge the loan payments, revenues and receipts hereby pledged in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken; and that the Bonds in the hands of the Holders thereof are and will be the valid and enforceable special limited revenue obligations of the Issuer according to the import thereof.

Section 7.03 Books and Records; Certificate as to Defaults. The Issuer and the Trustee each covenant and agree that, so long as any of the Bonds shall remain Outstanding, proper books of record and account will be kept showing complete and correct entries of all transactions relating to the Project and the Facility, and that the Holders of any of the Bonds and the Bondholder Representative shall have the right at all reasonable times to inspect all records, accounts and data relating thereto. In this regard, so long as the Loan Agreement is in full force and effect, records furnished by the Issuer and the Institution to, or kept by, the Trustee in connection with its duties as such shall be deemed to be in compliance with the Issuer's obligations under this Section 7.03. Within thirty (30) days after receiving the certificate from the Institution as provided in Section 8.26(b) of the Loan Agreement, the Trustee shall render to the Issuer a statement that moneys received by the Trustee pursuant to the Loan Agreement and the Promissory Note were applied by it to the payment of the principal or Redemption Price, if any, of, Sinking Fund Installments for, and interest on the Bonds, at the place, on the dates and in the manner provided in this Indenture and that the Trustee has no knowledge of any defaults under this Indenture, the Promissory Note or the Loan Agreement or any other Security Document or specifying the particulars of such defaults which may exist.

Upon reasonable written request, the Trustee shall make available to the Institution for its inspection during normal business hours, its records with respect to the Project and the Facility.

The Trustee agrees that, upon the written request of the Institution or the Issuer, it will, not more than twice in each calendar year, provide a statement to the requesting party setting forth the principal amount of Bonds Outstanding as of the date of such statement.

Section 7.04 Loan Agreement. An executed copy of the Loan Agreement will be on file in the office of the Issuer and in the designated corporate trust office of the Trustee. Reference is hereby made to the Loan Agreement for a detailed statement of the terms and conditions thereof and for a statement of the rights and obligations of the parties thereunder. All covenants and obligations of the Institution under the Loan Agreement shall be enforceable either by the Issuer or by the Trustee, to whom, in its own name or in the name of the Issuer, is hereby granted the right, to the extent provided therefor in this Section 7.04 and subject to the provisions of Section 9.02, to enforce all rights of the Issuer and all obligations of the Institution under the Loan Agreement, whether or not the Issuer is enforcing such rights and obligations. The Trustee shall take such action in respect of any matter as is provided to be taken by it in the Loan Agreement (including, without limitation, Sections 3.5, 6.3 and 8.10 thereof) upon compliance or

noncompliance by the Institution and the Issuer with the provisions of the Loan Agreement relating to the same.

Section 7.05 Creation of Liens; Indebtedness. It is the intention of the Issuer and the Trustee that each Mortgage is and will continue to be a mortgage lien upon the Facility (subject only to Permitted Encumbrances). The Issuer shall not create or suffer to be created, or incur or issue any evidences of indebtedness secured by, any lien or charge upon or pledge of the Trust Estate, except the lien, charge and pledge created by this Indenture and the other Security Documents.

Section 7.06 Ownership; Instruments of Further Assurance. The Trustee on behalf of the Institution, subject to Section 7.04 and upon the written direction of any Bondholder, shall defend the interest of the Institution in the Facility and the Pledged Collateral and every part thereof for the benefit of the Holders of the Bonds, to the extent permitted by law, against the claims and demands of all Persons whomsoever. The Issuer covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such Supplemental Indentures and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Trustee all and singular the property described herein and in the remainder of the Trust Estate, subject to the liens, pledge and security interests of this Indenture and of the other Security Documents and the loan payments, revenues and receipts pledged hereby to the payment of the principal or Redemption Price, if any, of, Sinking Fund Installments for, and interest on the Bonds. Any and all property hereafter acquired which is of the kind or nature herein provided to be and become subject to the lien, pledge and security interest hereof (other than the Institution's Property as defined in the Loan Agreement) and of the other Security Documents shall ipso facto, and without any further conveyance, assignment or act on the part of the Issuer or the Trustee, become and be subject to the lien, pledge and security interest of this Indenture and the Mortgage as fully and completely as though specifically described herein and therein, but nothing in this sentence contained shall be deemed to modify or change the obligations of the Issuer heretofore made by this Section 7.06.

Section 7.07 Security Agreement; Filing.

(a) This Indenture constitutes a "security agreement" within the meaning of Article 9 (Secured Transactions) of the New York State Uniform Commercial Code. The security interest of the Trustee, as created by this Indenture, in the rights and other intangible interests described herein, shall be perfected by the filing of a financing statement by the Institution, at the direction of the Issuer, in the office of the Secretary of State of the State in the City of Albany, New York, which financing statement shall be in accordance with the New York State Uniform Commercial Code-Secured Transactions. Subsequent to the foregoing filings, this Indenture shall be re-indexed, and financing and continuation statements shall be filed and re-filed, by the Trustee whenever in the Opinion of Counsel to the Institution (which opinion shall be reasonably acceptable to and addressed to the Trustee) such action is necessary to preserve the lien and security interest hereof. Any such filings or re-filings shall be prepared and filed by the Institution and delivered to the Trustee (if electronic filing is not elected by the Issuer) on a timely basis accompanied by any fees or requisite charges and the Opinion of Counsel referred to above. The Trustee will thereupon effect any such filings and re-filings of financing and continuation

statements in said office of the Secretary of State, and promptly notify the Institution of any such filings.

(b) The Issuer and the Trustee acknowledge that, as of the Closing Date,

(i) Section 9-515 of the New York State Uniform Commercial Code provides that an initial financing statement filed in connection with a "public-finance transaction" is effective for a period of thirty (30) years after the date of filing if such initial financing statement indicates that it is filed in connection with a public-finance transaction,

(ii) Section 9-102(67) of the New York State Uniform Commercial Code defines a "public-finance transaction" as a secured transaction in connection with which (x) debt securities are issued, (y) all or a portion of the debt securities issued have an initial stated maturity of at least twenty (20) years, and (z) the debtor, obligor, secured party, account debtor or other person obligated on collateral, assignor or assignee of a security interest is a state or a governmental unit of a state, and

(iii) subject to any future change in law, the initial financing statement as shall be filed with respect to the security interest described above shall therefore have an effective period of thirty (30) years after the date of filing, for the purpose of determining the date by which continuation statements shall be filed.

(c) The parties hereto acknowledge and agree that, because the foregoing financing statements evidence collateral for the Initial Bonds, and because the Initial Bonds are municipal debt securities with a term that is at least twenty (20) years in duration, there is no need under the Uniform Commercial Code of the State of New York to re-file such financing statements in order to preserve the liens and security interests that they create for the period commencing with the Closing Date and terminating on the thirtieth anniversary of the Closing Date.

Subsequent to the initial filings, if it is necessary to re-file financing statements and/or file continuation statements and/or take any other actions to preserve the lien and security interest of this Indenture (individually or collectively, the "**Continuation Action(s)**"), then, the Institution in a timely manner shall: (A) as applicable, (i) prepare and deliver to the Trustee all necessary instruments and filing papers, together with remittances equal to the cost of required filing fees and other charges, so that the Trustee may perform the Continuation Actions, or (ii) electronically perform the Continuation Actions and deliver to the Trustee written certification (upon which the Trustee may conclusively rely) that such performance has occurred, specifying the Continuation Actions performed, or (iii) perform some of the Continuation Actions in the manner described in clause "(i)" and the others in the manner described in clause "(ii)"; and (B) if requested by the Trustee (acting at the direction of the Bondholder Representative or, if no Bondholder Representative, the Majority Holders) or the Issuer, deliver or cause to be delivered to the Issuer and the Trustee the Opinion of Counsel to the Institution as described below. The Trustee may conclusively rely upon (y) when applicable, the certification referred to in clause "(A)(ii)," and (z) in all instances, the Opinion of Counsel to the Institution. In the event the Institution chooses to have the Trustee perform all or some of the Continuation Actions, as provided in clause "(A)(i)" hereinabove, the Trustee shall reasonably promptly perform such Continuation Actions at the Institution's sole expense. The Institution shall perform the

obligations described hereinabove in clauses "(A)" (in every case) and "(B)" (if so requested) no later than ten (10) days prior to (i)(y) the thirtieth (30th) anniversary of the Closing Date, and (z) each fifth (5th) anniversary thereafter, and/or (ii) the date (not covered by clause "(i)") on which a Continuation Action is to be taken to preserve the lien and security interest of this Indenture.

If an Opinion of Counsel to the Institution is requested pursuant to clause "(B)", then the Opinion of Counsel to the Institution shall be addressed to the Institution, the Issuer and the Trustee. If so requested, the Institution shall deliver successive Opinions of Counsel in respect of (i)(y) the thirtieth (30th) anniversary of the Closing Date, and (z) every five-year anniversary thereafter through the term of the Initial Bonds, and/or (ii) the date of any required Continuation Action not covered by clause "(i)," in each case not later than fifteen (15) days prior to the date on which a Continuation Action is required to be taken. In the Opinion of Counsel to the Institution, counsel shall opine as to: (i) what Continuation Actions are necessary; and (ii) the deadline dates for the required Continuation Actions; and (iii) the jurisdictions in which the Continuation Actions must be effected. Counsel in such opinion shall additionally opine that, upon performance of the Continuation Actions by, as the case may be, (i) the Trustee with instruments and papers prepared by the Institution, or (ii) the Institution through electronic filing, or (iii) the Trustee as to some Continuation Actions, and the Institution as to the others through electronic filings, all appropriate steps shall have been taken on the part of the Institution, the Issuer and the Trustee then requisite to the maintenance of the perfection of the security interest of the Trustee in and to all property and interests which by the terms of this Indenture are to be subjected to the lien and security interest of this Indenture.

(d) Any filings with respect to Uniform Commercial Code financing statements may be made electronically, and the Issuer shall have the right to designate a company (which shall be reasonably acceptable to the Trustee) to facilitate the filing of Uniform Commercial Code financing statements.

(e) The Trustee acknowledges and agrees (on behalf of itself and the Bondholders) that neither the Issuer, nor any of its directors, members, officers, employees, servants, agents, persons under its control or supervision, or attorneys (including Nationally Recognized Bond Counsel to the Issuer), shall have any responsibility or liability whatsoever related in any way to the filing or re-filing of any Uniform Commercial Code financing statements or continuation statements, or the perfection or continuation of perfection of any security interests, or the recording or rerecording of any document, or the failure to effect any act referred to in this Section, or the failure to effect any such act in all appropriate filing or recording offices, or the failure of sufficiency of any such act so effected.

(f) All costs (including reasonable attorneys' fees and expenses) incurred in connection with the effecting of the requirements specified in this Section shall be paid by the Institution.

Section 7.08 Issuer Tax Covenant. The Issuer covenants that it shall not take any action within its control, nor refrain from taking any action reasonably requested by the Institution or the Trustee, that would cause the interest on the Series 2018A Bonds to become includable in gross income for Federal income tax purposes; provided, however, the breach of this

covenant shall not result in any pecuniary liability of the Issuer and the only remedy to which the Issuer shall be subject shall be specific performance.

ARTICLE VIII

EVENTS OF DEFAULT; REMEDIES OF BONDHOLDERS

Section 8.01 Events of Default; Acceleration of Due Date.

(a) Each of the following events is hereby defined as and shall constitute an "Event of Default":

(i) Failure in the payment of the interest on any Bond when the same shall become due and payable;

(ii) Failure in the payment of the principal or redemption premium, if any, of, or Sinking Fund Installment for, any Bonds, when the same shall become due and payable, whether at the stated maturity thereof or upon proceedings for redemption thereof or otherwise, or interest accrued thereon to the date of redemption after notice of redemption therefor or otherwise;

(iii) Failure of the Issuer to observe or perform any covenant, condition or agreement in the Bonds or hereunder on its part to be performed (except as set forth in Section 8.01(a)(1) or (2)) and (A) continuance of such failure for more than thirty (30) days after written notice of such failure has been given to the Issuer and the Institution specifying the nature of same from the Trustee or the Bondholder Representative (or, if no Bondholder Representative exists, the Holders of more than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding), or (B) if by reason of the nature of such failure the same can be remedied, but not within the said thirty (30) days, the Issuer or the Institution fails to commence and thereafter proceed with reasonable diligence after receipt of said notice to cure such failure or fails to continue with reasonable diligence its efforts to cure such failure or fails to cure such failure within thirty (30) additional days but in no event later than sixty (60) days after delivery of the original notice; or

(iv) The occurrence of an "Event of Default" under the Loan Agreement or any other Security Document.

(b) Upon the happening and continuance of any Event of Default, unless the principal of all the Bonds shall have already become due and payable, either the Trustee (by notice in writing to the Issuer and the Institution) or the Bondholder Representative (or, if no Bondholder Representative exists, the Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding) (by notice in writing to the Issuer, the Institution and the Trustee) may declare the principal or Redemption Price, if any, of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything in this Indenture or in any of the Bonds contained to the contrary notwithstanding.

(c) If there shall occur an Event of Default under Section 9.1(d) or (e) of the Loan Agreement, the unpaid principal of all the Bonds (and all principal installments of loan payments under the Loan Agreement) and the interest accrued thereon shall be due and payable immediately without the necessity of any declaration or other action by the Trustee or any other Person.

(d) The right of the Trustee or of the Bondholder Representative (or, if no Bondholder Representative exists, the Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding) to make any such declaration as aforesaid, however, is subject to the condition that if, at any time before such declaration, all overdue installments of principal of and interest on all of the Bonds which shall have matured by their terms and the unpaid Redemption Price of the Bonds or principal portions thereof to be redeemed has been paid by or for the account of the Issuer, and all other Events of Default have been otherwise remedied, and the reasonable and proper charges, expenses and liabilities of the Trustee, shall either be paid by or for the account of the Issuer or provision satisfactory to the Trustee shall be made for such payment and the Facility shall not have been sold or otherwise encumbered, and all defaults have been otherwise remedied as provided in this Article VIII, then and in every such case any such default and its consequences shall ipso facto be deemed to be annulled, but no such annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

(e) Pursuant to the Loan Agreement, the Issuer has granted to the Institution full authority for the account of the Issuer to perform any covenant or obligation the non-performance of which is alleged in any notice received by the Institution to constitute a default hereunder, in the name and stead of the Issuer with full power to do any and all things and acts to the same extent that the Issuer could do and perform any such things and acts with power of substitution. The Trustee agrees to accept such performance by the Institution as performance by the Issuer.

(f) Pursuant to the Account Control Agreement, upon the happening and continuance of any Event of Default, the Trustee, as Secured Party under the Account Control Agreement, shall withdraw any funds on deposit in the Accounts (as defined in the Account Control Agreement) which are required to pay, and such funds shall be applied to pay, principal, Purchase Price or Redemption Price of, Sinking Fund Installments for, and interest on the Bonds.

Section 8.02 Enforcement of Remedies.

(a) Upon the occurrence and continuance of any Event of Default, then and in every case the Trustee may proceed, and upon the written request of the Bondholder Representative (or, if no Bondholder Representative exists, the Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding) shall proceed, to protect and enforce its rights and the rights of the Bondholders under the Bonds, the Loan Agreement, this Indenture and under any other Security Document forthwith by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, whether for the specific performance of any covenant or agreement contained in this Indenture or in any other Security Document or in aid of the execution of any power granted in this Indenture or in any other Security Document or for the enforcement of any legal or equitable

rights or remedies as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights or to perform any of its duties under this Indenture or under any other Security Document. In addition to any rights or remedies available to the Trustee hereunder or elsewhere, upon the occurrence and continuance of an Event of Default the Trustee may take such action, without notice or demand, as it deems advisable.

(b) In the enforcement of any right or remedy under this Indenture or under any other Security Document, the Trustee shall be entitled to sue for, enforce payment on and receive any or all amounts then or during any default becoming, and any time remaining, due from the Issuer, for principal, interest, Sinking Fund Installments, Redemption Price, or otherwise, under any of the provisions of this Indenture, of any other Security Document or of the Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in the Bonds, together with any and all costs and expenses of collection and of all proceedings under this Indenture, under any such other Security Document and under the Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce judgment or decree against the Issuer, but solely as provided in this Indenture and in the Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect (but solely from the moneys in the Bond Fund and other moneys available therefor to the extent provided in this Indenture) in any manner provided by law, the moneys adjudged or decreed to be payable. The Trustee shall file proof of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Bondholders allowed in any judicial proceedings relative to the Institution or the Issuer or their creditors or property.

(c) Regardless of the occurrence of an Event of Default, the Trustee, if requested in writing by the Bondholder Representative (or, if no Bondholder Representative exists, the Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding), and furnished with reasonable security and indemnity, shall institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under this Indenture or under any other Security Document by any acts which may be unlawful or in violation of this Indenture or of such other Security Document or of any resolution authorizing any Bonds, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders; provided, that such request shall not be otherwise than in accordance with the provisions of law and of this Indenture and shall not be unduly prejudicial to the interests of the Holders of the Bonds not making such request.

Section 8.03 Application of Revenues and Other Moneys After Default.

(a) All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article or under any other Security Document shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee or the Bondholder Representative (provided that the Trustee shall be entitled to payment in full for the foregoing prior to the Bondholder Representative being entitled to receive payment for the foregoing), be deposited in the Bond Fund and all moneys so deposited and available for payment of the Bonds shall be applied, subject to Section 9.04, as follows:

(i) Unless the principal of all of the Bonds shall have become or have been declared due and payable,

First: To the payment to the Persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege; and

Second: To the payment to the Persons entitled thereto of the unpaid principal or Redemption Price, if any, of any of the Bonds or principal installments which shall have become due (other than Bonds or principal installments called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest on such Bonds, at the rate or rates expressed thereon, from the respective dates upon which they become due and, if the amount available shall not be sufficient to pay in full Bonds or principal installments due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the Persons entitled thereto without any discrimination or privilege.

(ii) If the principal of all the Bonds shall have become or have been declared due and payable, to the payment to the Bondholders of the principal and interest (at the rate or rates expressed in the Bonds) then due and unpaid upon the Bonds and if applicable to the Redemption Price of the Bonds without preference or priority of principal over interest or of interest over principal, Sinking Fund Installments, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference.

(iii) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article VIII, then, subject to the provisions of Section 8.03(a)(ii) which shall be applicable in the event that the principal of all the Bonds shall later become due and payable, the moneys shall be applied in accordance with the provisions of Section 8.03(a)(i).

(b) Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and

upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue; provided, however, that if the principal or Redemption Price of the Bonds Outstanding, together with accrued interest thereon, shall have been declared to be due and payable pursuant to Section 8.01, such date of declaration shall be the date from which interest shall cease to accrue. The Trustee shall give such written notice to the Bondholder Representative and all Bondholders as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 8.04 Actions by Trustee. All rights of actions under this Indenture, under any other Security Document or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Holders of the Bonds, and any recovery of judgment shall, subject to the provisions of Section 8.03, be for the equal benefit of the Holders of the Outstanding Bonds.

Section 8.05 Bondholder Representative or Majority Holders Control Proceedings. Anything in this Indenture to the contrary notwithstanding, the Bondholder Representative (or, if no Bondholder Representative exists, the Majority Holders) shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

Section 8.06 Individual Bondholder Action Restricted.

(a) No Holder of any Bond, other than the Bondholder Representative which may direct the Trustee to undertake any enforcement action including to institute any suit, action or proceeding at law or in equity in accordance with Section 8.05, shall have any right to institute any suit, action or proceeding at law or in equity (i) with respect to the Bonds, this Indenture or any other Security Document, (ii) for the enforcement of any provisions of the Bonds, this Indenture or of any other Security Document, (iii) for the execution of any trust under this Indenture or (iv) for any remedy under this Indenture or under any other Security Document, unless such Holder shall have previously given to the Trustee and the Bondholder Representative written notice of the occurrence of an Event of Default as provided in this Article, and the Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding shall have filed a written request with the Trustee and the Bondholder Representative, and shall have offered each of them reasonable opportunity either to exercise the powers granted in the Bonds, this Indenture or in such other Security Document or by the laws of the State or to institute such action, suit or proceeding in its own name, and unless such Holders shall have offered to the Trustee and the Bondholder Representative adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee or the Bondholder Representative shall have refused to comply with such request for a period of sixty (60) days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his, its or their action to affect,

disturb or prejudice the pledge created by this Indenture, or to enforce any right under this Indenture except in the manner herein provided; and that all proceedings at law or in equity to enforce any provision of the Bonds or this Indenture shall be instituted, had and maintained in the manner provided in this Indenture and, subject to the provisions of Section 8.03, be for the equal benefit of all Holders of the Outstanding Bonds.

(b) Nothing in this Indenture, in any other Security Document or in the Bonds contained shall affect or impair the right of any Bondholder to payment of the principal or Redemption Price, if applicable, of, Sinking Fund Installments for, and interest on any Bond at and after the maturity thereof, or the obligation of the Issuer to pay the principal or Redemption Price, if applicable, of, Sinking Fund Installments for, and interest on each of the Bonds to the respective Holders thereof at the time, place, from the source and in the manner herein and in said Bonds expressed.

Section 8.07 Effect of Discontinuance of Proceedings. In case any proceedings taken by the Trustee or the Bondholder Representative on account of any Event of Default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee or the Bondholder Representative, then and in every such case, the Institution, the Issuer, the Trustee and the Bondholders shall be restored, respectively, to their former positions and rights hereunder, and all rights, remedies, powers and duties of the Trustee and the Bondholder Representative shall continue as in effect prior to the commencement of such proceedings.

Section 8.08 Remedies Not Exclusive. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee, the Bondholder Representative or to the Holders of the Bonds is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to any other remedy given under this Indenture or now or hereafter existing at law or in equity or by statute.

Section 8.09 Delay or Omission. No delay or omission of the Trustee, of the Bondholder Representative or of any Holder of the Bonds to exercise any right or power arising upon any default shall impair any right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Article to the Trustee, the Bondholder Representative and the Holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient by the Trustee, by the Bondholder Representative or by the Bondholders.

Section 8.10 Notice of Default. The Trustee shall promptly mail to the Issuer, to registered Holders of Bonds, to the Bondholder Representative and to the Institution by first class mail, postage prepaid, written notice of the occurrence of any Event of Default. The Trustee shall not, however, be subject to any liability to any Bondholder by reason of its failure to mail any notice required by this Section.

Section 8.11 Waivers of Default. The Trustee shall waive any default hereunder and its consequences and rescind any declaration of acceleration only upon the written request of the Bondholder Representative (or, if no Bondholder Representative exists, the Majority Holders); provided, however, that there shall not be waived without the consent of the Holders of all the Bonds Outstanding (a) any default in the payment of the principal of any Outstanding Bonds at the

date specified therein or (b) any default in the payment when due of the interest on any such Bonds, unless, prior to such waiver, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds on overdue installments of interest in respect of which such default shall have occurred, and all arrears of payment of principal when due, as the case may be, and all expenses of the Trustee in connection with such default shall have been paid or provided for, or in case any proceeding taken by the Trustee or the Bondholder Representative on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee or the Bondholder Representative, then and in every such case the Institution, the Issuer, the Trustee, the Bondholder Representative and the Bondholders shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Section 8.12 Issuer Approval of Certain Non-Foreclosure Remedies. Notwithstanding any other remedy or other action available under this Indenture or otherwise under any other Security Document or at law, no remedy or other action (whether exercised by the Trustee, the Bondholder Representative or the Holders of the Bonds) shall have the effect of (x) continuing the exemption from the mortgage recording tax of the Mortgage upon any restructuring of the underlying indebtedness secured by the Mortgage (a "Mortgage Restructuring"), (y) modifying or terminating the Indenture or the Loan Agreement (other than a termination of the Indenture in connection with the retirement of all of the Outstanding Bonds in accordance with the discharge provisions of the Indenture) (a "Security Document Action") or (z) substituting for the Institution and/or the School, as applicable, a new Entity to either be a counterparty to the Issuer under the Loan Agreement or to use all or a portion of the Facility (a "Substitute Entity"), unless, in either case, all material facts relating to either the Mortgage Restructuring, the Security Document Action and/or the Substitute Entity shall have been set forth in a writing delivered to the Issuer and (i) the Mortgage Restructuring, the Security Document Action and/or the Substitute Entity shall be approved in writing by the Issuer, such approval not to be unreasonably withheld or delayed (and which approval may, in the sole discretion of the Issuer, be subject to action by the Issuer's Board of Directors), and (ii) there shall be delivered to the Issuer and the Trustee an opinion of Nationally Recognized Bond Counsel to the effect that such Mortgage Restructuring, Security Document Action and/or Substitute Entity shall not cause the interest on any Outstanding tax-exempt Bonds to become subject to federal income taxation by reason of any such Mortgage Restructuring, Security Document Action and/or Substitute Entity. For the avoidance of doubt, no Issuer consent is required hereby for the commencement of a foreclosure action under the Mortgage. In connection with the retirement or surrender for cancellation of all of the Outstanding Bonds (other than as a result of the payment in full of all Outstanding Bonds), the Trustee hereby agrees to provide written notice to the Issuer of such retirement or cancellation promptly upon the earlier of (i) the Trustee's receipt of direction to effectuate such retirement or cancellation, and (ii) the Trustee's receipt of surrendered Bonds for cancellation, but in no event later than fourteen (14) Business Days after the occurrence of the event set forth in clause (i) or (ii).

ARTICLE IX

TRUSTEE, BOND REGISTRAR AND PAYING AGENTS

Section 9.01 Appointment and Acceptance of Duties of Trustee. The entity identified as the Trustee on the cover page hereof is hereby appointed as Trustee. The Trustee

shall signify its acceptance of the duties and obligations of the Trustee hereunder and under each Security Document by executing this Indenture and agrees to perform said trusts as a corporate trustee ordinarily would under a corporate mortgage subject to the express terms and conditions herein. All provisions of this Article IX shall be construed as extending to and including all the rights, duties and obligations imposed upon the Trustee under the Loan Agreement and under any other Security Document to which it shall be a party as fully for all intents and purposes as if this Article IX were contained in the Loan Agreement and each such other Security Document.

Section 9.02 Indemnity of Trustee. The Trustee shall be under no obligation to institute any suit, or to take any remedial or legal action under this Indenture or under or pursuant to any other Security Document or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers or fulfillment of any extraordinary duties under this Indenture, or under any other Security Document, until it shall be indemnified to its satisfaction against any and all reasonable compensation for services, costs and expenses, outlays, and counsel fees and other disbursements, and against all liability not due to its willful misconduct or gross negligence.

Section 9.03 Responsibilities of Trustee.

(a) The Trustee shall have no responsibility in respect of the validity or sufficiency of this Indenture or of any other Security Document or the security provided hereunder or thereunder or the due execution of this Indenture by the Issuer, or the due execution of any other Security Document by any party (other than the Trustee) thereto, or in respect of the title or the value of the Facility, or in respect of the validity of the Bonds authenticated and delivered by the Trustee in accordance with this Indenture or to see to the recording or filing of any document or instrument whatsoever except as otherwise provided in Section 7.07. The recitals, statements and representations contained in this Indenture and in the Bonds shall be taken and be construed as made by and on the part of the Issuer and not by the Trustee, and the Trustee does not assume any responsibility for the correctness of the same; provided, however, that the Trustee shall be responsible for its representation contained in its certificate on the Bonds and for its responsibility as to filing or re-filing as contained in Section 7.07.

(b) The Trustee shall not be liable or responsible because of the failure of the Issuer to perform any act required of it by this Indenture or by any other Security Document or because of the loss of any moneys arising through the insolvency or the act or default or omission of any depositary other than itself in which such moneys shall have been deposited under this Indenture or the Tax Regulatory Agreement. The Trustee shall not be responsible for the application of any of the proceeds of the Bonds or any other moneys deposited with it and paid out, invested, withdrawn or transferred in accordance with this Indenture or the Tax Regulatory Agreement or for any loss resulting from any such investment. The Trustee shall not be liable in connection with the performance of its duties under the Loan Agreement, under this Indenture or under any other Security Document except for its own willful misconduct or gross negligence. The immunities and exemptions from liability of the Trustee shall extend to its directors, officers, employees, agents and servants and persons under the Trustee's control or supervision.

(c) The Trustee, prior to the occurrence of an Event of Default and after curing of all Events of Default which may have occurred, if any, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise as a prudent man would exercise under the circumstances in the conduct of his own affairs. If an Event of Default has occurred (which has not been cured), and the Trustee, in exercising its remedies, as set forth in Section 8.02, proceeds to foreclose on the Mortgage, the Trustee may retain attorneys, receivers, managing agents, leasing agents and/or real estate brokers, all of whom shall be paid reasonable compensation, to be reimbursed by the Institution. The Trustee shall not be charged with knowledge of the occurrence of an Event of Default unless, (i) the Trustee has not received any certificate, financial statement, insurance notice or other document regularly required to be delivered to the Trustee under the Loan Agreement or any other Security Document, (ii) the Trustee has not received payment of any amount required to be remitted to the Trustee under the Loan Agreement or any other Security Document, (iii) a Responsible Officer of the Trustee has actual knowledge thereof, or (iv) the Trustee has received written notice thereof from the Institution, the Issuer, the Bondholder Representative or any Bondholder. The Trustee shall not be charged with the knowledge of a Determination of Taxability unless the Trustee has received written notice thereof from the Internal Revenue Service, the Institution, the Issuer, the Bondholder Representative or any Bondholder or former Bondholder.

(d) The Trustee shall not be liable or responsible for the failure of the Institution to effect or maintain insurance on the Facility as provided in the Loan Agreement or the Mortgage nor shall it be responsible for any loss by reason of want or insufficiency in insurance or by reason of the failure of any insurer in which the insurance is carried to pay the full amount of any loss against which it may have insured the Issuer, the Institution, the Trustee or any other Person.

(e) The Trustee shall execute and cause to be filed those continuation statements, any additional financing statements and all other instruments required by it by Section 7.07 at the expense of the Institution.

(f) The Trustee shall on the same date as it shall render the statement required of it by Section 7.03, make annual reports to the Issuer and the Institution of all moneys received and expended during the preceding year by it under this Indenture and of any Event of Default known to it under the Loan Agreement or this Indenture or under any other Security Document.

(g) With respect to the Tax Regulatory Agreement, the Trustee shall not be required to make any payment of a Rebate Amount or any transfer of funds or take any other action required to be taken thereunder except upon the receipt of a written certificate of direction of an Authorized Representative of the Institution delivered to the Trustee in accordance with the terms of the Tax Regulatory Agreement. Notwithstanding any provision of the Tax Regulatory Agreement or any other Security Document, nothing in the Tax Regulatory Agreement, either expressed or implied, shall be deemed to impose upon the Trustee any responsibility for the legal sufficiency of the Tax Regulatory Agreement to effect compliance with the Code nor any duty to independently review or verify any information or calculation furnished to the Trustee by the Institution.

(h) The permissive right of the Trustee to do things enumerated in this Indenture or the other Security Documents shall not be construed as a duty, and in doing or not doing so the Trustee shall not be answerable for other than its gross negligence or willful misconduct.

Section 9.04 Compensation of Trustee, Bond Registrar and Paying Agents. The Trustee, the Bond Registrar and Paying Agents shall be entitled to receive and collect from the Institution as provided in the Loan Agreement payment or reimbursement for reasonable fees for services rendered hereunder and under each other Security Document and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee, the Bond Registrar or Paying Agents in connection therewith. Upon an Event of Default, but only upon an Event of Default, the Trustee shall have a first right of payment prior to payment on account of the principal of or interest on any Bonds, upon the revenues (but not including any amounts held by the Trustee under Section 5.12, 6.04 or Article XI) for the foregoing advances, fees, costs and expenses incurred.

Section 9.05 Evidence on Which Trustee May Act.

(a) In case at any time it shall be necessary or desirable for the Trustee to make any investigation respecting any fact preparatory to taking or not taking any action, or doing or not doing anything, as such Trustee, and in any case in which this Indenture provides for permitting or taking any action, it may rely upon any certificate required or permitted to be filed with it under the provisions of this Indenture, and any such certificate shall be evidence of such fact to protect it in any action that it may or may not take, or in respect of anything it may or may not do, in good faith, by reason of the supposed existence of such fact.

(b) The Trustee may conclusively rely and shall be fully protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Indenture, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person, or to have been prepared and furnished pursuant to any of the provisions of this Indenture, or, at the sole cost and expense of the Institution, and when determined necessary in the reasonable discretion of the Trustee, upon the written opinion of any attorney (who may be an attorney for the Issuer or an employee of the Institution), engineer, appraiser, architect or accountant believed by the Trustee to be qualified in relation to the subject matter.

Section 9.06 Trustee and Paying Agents May Deal in Bonds. Any national banking association, bank or trust company acting as a Trustee or Paying Agent, and its respective directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the Bonds, and may join in any action which any Bondholder may be entitled to take with like effect as if such association, bank or trust company were not such Trustee or Paying Agent.

Section 9.07 Resignation or Removal of Trustee. The Trustee may resign and thereby become discharged from the trusts created under this Indenture for any reason by giving written notice by first class mail, postage prepaid, to the Issuer, to the Institution and to the Holders

of all Bonds not less than sixty (60) days before such resignation is to take effect, but such resignation shall not take effect until the appointment and acceptance thereof of a successor Trustee pursuant to Section 9.08.

The Trustee may be removed at any time by an instrument or concurrent instruments in writing filed with the Trustee and signed by the Issuer or the Bondholder Representative (or, if no Bondholder Representative exists, the Majority Holders) or their attorneys-in-fact duly authorized. Such removal shall become effective either upon the appointment and acceptance of such appointment by a successor Trustee or at the date specified in the instrument of removal. The Trustee shall promptly give notice of such filing to the Issuer and the Institution. No removal shall take effect until the appointment and acceptance thereof of a successor Trustee pursuant to Section 9.08.

If the Trustee shall resign or shall be removed, such Trustee must transfer and assign to the successor Trustee, not later than the date of this acceptance by the successor Trustee of its appointment as such, or thirty (30) days from the date specified in the instrument of removal or resignation, if any, whichever shall last occur, (i) all amounts (including all investments thereof) held in any Fund or Account under this Indenture, together with a full accounting thereof, (ii) all records, files, correspondence, registration books, Bond inventory, all information relating to this Indenture and to Bond payment status (i.e., outstanding principal balances, principal payment and interest payment schedules, Sinking Fund Installment schedules, pending notices of redemption, payments made and to whom, delinquent payments, default or delinquency notices, deficiencies in any Fund or Account balance, etc.) and all such other information (in whatever form) relating to all Funds and Accounts in the possession of the Trustee being removed or resigning, and (iii) all Security Documents and other documents or agreements, including, without limitation, all Uniform Commercial Code Financing Statements, all insurance policies or certificates, letters of credit or other instruments provided to the Trustee being removed or resigning (clauses (i), (ii) and (iii), together with the Trust Estate, being collectively referred to as the "**Trust Corpus**").

Section 9.08 Successor Trustee.

(a) If at any time the Trustee shall be dissolved or otherwise become incapable of acting or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator thereof, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of Trustee shall thereupon become vacant. If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason or if the Trustee shall resign, the Institution shall cooperate with the Issuer and the Issuer shall appoint a successor Trustee and shall use its best efforts to obtain acceptance of such trust by the successor Trustee within sixty (60) days from such vacancy or notice of resignation. Within twenty (20) days after such appointment and acceptance, the Issuer shall notify in writing the Institution and the Holders of all Bonds.

(b) In the event of any such vacancy or resignation and if a successor Trustee shall not have been appointed within sixty (60) days of such vacancy or notice of resignation, the Bondholder Representative (or, if no Bondholder Representative exists, the Majority Holders), by an instrument or concurrent instruments in writing, signed by such Bondholders or their attorneys-in-fact thereunto duly authorized and filed with the Issuer, may appoint a successor Trustee which

shall, immediately upon its acceptance of such trusts, and without further act, supersede the predecessor Trustee. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section 9.08, within ninety (90) days of such vacancy or notice of resignation, the Holder of any Bond then Outstanding, the Issuer or any retiring Trustee or the Institution may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

(c) Any Trustee appointed under this Section shall be a national banking association or a bank or trust company duly organized under the laws of any state of the United States authorized to exercise corporate trust powers under the laws of the State and authorized by law and its charter to perform all the duties imposed upon it by this Indenture and each other Security Document. At the time of its appointment, any successor Trustee shall (x) have a capital stock and surplus aggregating not less than $100,000,000 and (y) have an investment grade rating of at least "Baa3" or "P-3".

(d) Any predecessor Trustee shall transfer to any successor Trustee appointed under this Section as a result of a vacancy in the position the Trust Corpus by a date not later than thirty (30) days from the date of the acceptance by the successor Trustee of its appointment as such. Where no vacancy in the position of the Trustee has occurred, the transfer of the Trust Corpus shall take effect in accordance with the provisions of Section 9.07.

(e) Every successor Trustee shall execute, acknowledge and deliver to its predecessor, and also to the Issuer, an instrument in writing accepting such appointment, and thereupon such successor Trustee, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers and trusts, and subject to all the duties and obligations, of its predecessor, with like effect as if originally named as such Trustee; but such predecessor shall, nevertheless, on the written request of its successor or of the Issuer, and upon payment of the compensation, expenses, charges and other disbursements of such predecessor which are due and payable pursuant to Section 9.04, execute and deliver an instrument transferring to such successor Trustee all the estate, properties, rights, immunities, powers and trusts of such predecessor and the Trust Corpus; and every predecessor Trustee shall deliver all property and moneys, together with a full accounting thereof, held by it under this Indenture to its successor. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such Trustee the estate, properties, rights, immunities, powers and trusts vested or intended to be vested in the predecessor Trustee, any such instrument in writing shall, on request, be executed, acknowledged and delivered by the Issuer. Any successor Trustee shall promptly notify the Issuer and the Paying Agent of its appointment as Trustee.

(f) Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a national banking association or a bank or trust company duly organized under the laws of any state of the United States and shall be authorized by law and its charter to perform all the duties imposed upon it by this Indenture and each other Security Document shall be the successor to such Trustee without the execution or filing of any paper or the performance of any further act.

Section 9.09 Paying Agents.

(a) The Trustee is hereby appointed as Paying Agent for the Bonds. The Issuer may also from time to time appoint one or more other Paying Agents in the manner and subject to the conditions set forth in Section 9.09(b) for the appointment of a successor Paying Agent. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing and delivering to the Issuer, and in the case of all Paying Agents other than the Trustee, to the Trustee a written acceptance thereof. The principal offices of the Paying Agents are designated as the respective offices or agencies of the Issuer for the payment of the principal or Redemption Price, if any, of, Sinking Fund Installments for, and interest on the Bonds. Each Paying Agent shall not be liable in connection with the performance of its duties hereunder except for its own willful misconduct or gross negligence.

(b) Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least sixty (60) days prior written notice to the Issuer and the Trustee. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by the Issuer. Any successor Paying Agent shall be appointed by the Issuer, with the approval of the Trustee, and shall be a commercial bank or trust company duly organized under the laws of any state of the United States or a national banking association, having a capital stock and surplus aggregating at least $40,000,000, having an investment grade rating of at least "Baa3" or "P-3", and willing and able to accept the office on reasonable and customary terms and authorized by law and its charter to perform all the duties imposed upon it by this Indenture.

(c) In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

Section 9.10 Appointment of Co-Trustee.

(a) It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction denying or restricting the right of banking corporations or associations to transact business as trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture or under any other Security Document, and in particular in case of the enforcement of any powers, rights or remedies on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional institution as a separate trustee or co-trustee. The following provisions of this Section are adapted to these ends.

(b) In the event that the Trustee appoints an additional institution as a separate trustee or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate trustee or co-trustee but only to the extent necessary to enable such separate trustee or co-

trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate trustee or co-trustee shall run to and be enforceable by either of them. Such co-trustee may be removed by the Trustee at any time, with or without cause.

(c) Should any instrument in writing from the Issuer be required by the separate trustee or co-trustee so appointed or removed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. In case any separate trustee or co-trustee, or a successor to either, shall become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

(d) No trustee shall be liable for the acts or omissions of any other trustee hereunder.

Section 9.11 Patriot Act. The Trustee hereby acknowledges that in accordance with Section 326 of the U.S.A. Patriot Act (being the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56, as amended, and signed into law October 26, 2001), each depositary bank, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with a depositary bank. The Trustee hereby acknowledges that it shall obtain such information from the other Notice Parties as may be required in order for it to satisfy the requirements of the U.S.A. Patriot Act.

ARTICLE X

BONDHOLDER REPRESENTATIVE

Section 10.01 Appointment of Bondholder Representative.

(a) The Majority Holders may, but shall not be required to, from time to time appoint a representative or agent, by giving signed, written notice of such appointment to the Trustee, to act on behalf of the holders of the Bonds Outstanding hereunder to give any consents, authorizations, or approvals; exercise any rights; or take any other action as may be taken by the holders of the Bonds or a percentage in aggregate principal amount thereof under this Indenture or the Loan Agreement. Upon such appointment, the Trustee shall accept the consent, authorization, or direction of such Bondholder Representative to the extent specified in such notice, as it would accept such action from such Majority Holders. A Bondholder Representative may be a Holder. The initial Bondholder Representative is Rosemawr Management LLC. Rosemawr Management LLC shall remain the Bondholder Representative so long as the Initial Beneficial Owners or any other affiliates of Rosemawr Management LLC shall remain the Majority Holders.

(b) Unless otherwise specified in the notice delivered to the Trustee appointing a Bondholder Representative pursuant to Section 10.01(a), such Bondholder Representative shall

be the sole representative of holders of the Bonds hereunder with respect to all matters specifically listed in such notice, until a signed, written notice of the removal of a Bondholder Representative shall be delivered to the Trustee by the Majority Holders. A Bondholder Representative may resign at any time by delivering written notice thereof to the Trustee. Any notice of removal or resignation meeting the foregoing requirements shall be effective immediately upon receipt thereof by the Trustee. In no event shall more than one Bondholder Representative be appointed.

(c) Any successor Bondholder Representative hereunder shall automatically become a party to each Project Document to which the Bondholder Representative is a party without the execution or filing of any paper or the performance of any further act.

(d) The Bondholder Representative shall file a notice with the Trustee and the Issuer, substantially in the form attached hereto as Exhibit E, notifying the Trustee and Issuer when it shall cease to serve as Bondholder Representative or shall no longer be designated as Bondholder Representative by the Majority Holders.

Section 10.02 Permissive Right. The permissive right of the Bondholder Representative to act pursuant to this Indenture shall not be construed as a duty, and the Bondholder Representative shall not be answerable with respect to any such permissive right other than for its gross negligence or willful misconduct that the Bondholder Representative is finally adjudicated (sustained on appeal, if any) by a court of competent jurisdiction to have committed. The Bondholder Representative shall have no duties, including no fiduciary or contractual duties, to any Person which are not expressly set forth in this Indenture, and no such duties shall be implied or imposed under any principle of equity. Whenever this Indenture or any other Project Document makes reference to obtaining or granting Bondholder Representative consent or approval, such consent or approval may be granted or withheld by the Bondholder Representative in its sole, absolute and unreviewable discretion.

Section 10.03 Bondholder Representative Expenses. The Trustee shall pay the reasonable fees and expenses (including reasonable fees and expenses of counsel) of the Bondholder Representative out of the funds on deposit in the Project Fund or the Revenue Fund, upon invoice, which, so long as no Event of Default has occurred and is continuing, has been sent to the Institution for review at least five (5) Business days prior to the next occurring Loan Payment Date, incurred in connection with the acceptance or administration of its rights and duties (on behalf of the Holders of the Bonds hereunder) under this Indenture, and in connection with any amendment, modification, supplement, consent or waiver with respect to or required under the Project Documents, or in connection with the enforcement thereof, except any such expense, disbursement or advance as may arise from its gross negligence, bad faith, or willful misconduct. Unless the Trustee receives written notice to the contrary from the Institution, the Trustee may assume that there is no claim that any such expense, disbursement or advance may arise from its gross negligence, bad faith, or willful misconduct of a Bondholder Representative and that such expenses, disbursements or advances are reasonable. Any payments hereunder shall not be payable from the funds of the Issuer or the Trustee, but shall be payable solely from the funds or assets of the Institution received by the Trustee or the Issuer in accordance with terms of this Indenture.

Section 10.04 Notices and Reporting Obligations. The appointment of a Bondholder Representative shall in no way affect any reporting or notice requirements to the

Holders hereunder or under the Project Documents, except that such Bondholder Representative shall also receive copies of all such reports and notices.

Section 10.05 Limitation of Liability; Indemnification. The Bondholder Representative (and its officers, directors, employees agents and representatives) shall: (i) not be liable to the Holders of the Bonds, or any Beneficial Owner of Bonds, for any act or omission in its capacity as Bondholder Representative unless it is determined by a court of competent jurisdiction by a final and non-appealable order that the Bondholder Representative engaged in fraud or that its actions constituted willful misconduct; and (ii) be entitled to treat as genuine any letter or other document furnished to it in its capacity as Bondholder Representative that it believed to be genuine and to have been signed and presented by the proper party or parties. In addition, the Bondholders shall severally, and not jointly, in proportion to each Bondholders' pro rata interest in the Bonds, indemnify and hold harmless the Bondholder Representative (and its officers, directors, employees agents and representatives) against any claims, damages, judgments, loss, liability, cost or expense (including attorney's fees and costs) incurred on the part of the Bondholder Representative and arising out of or in connection with the acceptance, performance or administration of the Bondholder Representative's duties hereunder, including, without limitation, the Bondholder Representative having to indemnify the Trustee for any actions it takes hereunder or under any Project Document. The Bondholders covenant and agree not to commence any action or proceeding in any court against the Bondholder Representative (and its officers, directors, employees, agents and representatives), all of which claims shall be subject to mandatory arbitration pursuant to Section 10.06 hereof.

Section 10.06 Arbitration. Any action, claim or proceeding brought against the Bondholder Representative by the Bondholders, or any other party to the Project Documents other than the Trustee, the Institution or the Issuer shall be determined by arbitration administered by the American Arbitration Association and governed by its arbitration rules in effect as of the date of this Indenture, subject to any modifications contained herein. The number of arbitrators shall be three. The place of arbitration shall be New York, New York, and any and all awards and other decisions shall be deemed to have been made there, without prejudice to the right of the arbitral tribunal to hold hearings, meetings, or sessions any place it deems appropriate. The language of the arbitration shall be English. All and any awards or other decisions of the arbitral tribunal shall be final and binding on the parties. The parties consent to the jurisdiction of the courts of the state of New York to confirm an arbitration award.

ARTICLE XI

DISCHARGE OF INDENTURE; DEFEASANCE

Section 11.01 Defeasance.

(a) If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds the principal or Redemption Price, if applicable, of, Sinking Fund Installments for, interest and all other amounts due or to become due thereon or in respect thereof, at the times and in the manner stipulated therein and in this Indenture, and all fees and expenses and other amounts due and payable under this Indenture and the Loan Agreement, and any other amounts required to be rebated to the Federal government pursuant to the Tax Regulatory

Agreement or this Indenture, shall be paid in full, then the pledge of any loan payments, revenues or receipts from or in connection with the Security Documents or the Facility under this Indenture and the estate and rights hereby granted, and all covenants, agreements and other obligations of the Issuer to the Bondholders hereunder shall thereupon cease, terminate and become void and be discharged and satisfied and the Bonds shall thereupon cease to be entitled to any lien, benefit or security hereunder, except as to moneys or securities held by the Trustee or the Paying Agents as provided below in this subsection. At the time of such cessation, termination, discharge and satisfaction, (1) the Trustee shall cancel and discharge the lien of this Indenture and of the Pledge and Security Agreement and the Mortgage and execute and deliver to the Institution all such instruments as may be appropriate to satisfy such liens and to evidence such discharge and satisfaction, and (2) the Trustee and the Paying Agents shall pay over or deliver to the Institution or on its order all moneys or securities held by them pursuant to this Indenture which are not required (i) for the payment of the principal or Redemption Price, if applicable, Sinking Fund Installments for, or interest on Bonds not theretofore surrendered for such payment or redemption, (ii) for the payment of all such other amounts due or to become due under the Security Documents, or (iii) for the payment of any amounts the Trustee has been directed to pay to the Federal government under the Tax Regulatory Agreement or this Indenture.

(b) Bonds or interest installments for the payment or redemption of which moneys (or Defeasance Obligations which shall not be subject to call or redemption or prepayment prior to maturity and the full and timely payment of the principal of and interest on which when due, together with the moneys, if any, set aside at the same time, will provide funds sufficient for such payment or redemption) shall then be set aside and held in trust by the Trustee or Paying Agents, whether at or prior to the maturity or the redemption date of such Bonds, shall be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section, if (i) in case any such Bonds are to be redeemed prior to the maturity thereof, all action necessary to redeem such Bonds shall have been taken and notice of such redemption shall have been duly given or provision satisfactory under the requirements of this Indenture to the Trustee shall have been made for the giving of such notice, and (ii) if the maturity or redemption date of any such Bond shall not then have arrived, (y) provision shall have been made by deposit with the Trustee or other methods satisfactory to the Trustee for the payment to the Holders of any such Bonds of the full amount to which they would be entitled by way of principal or Redemption Price, Sinking Fund Installments, and interest and all other amounts then due under the Security Documents to the date of such maturity or redemption, and (z) provision satisfactory to the Trustee shall have been made for the mailing of a notice to the Holders of such Bonds that such moneys are so available for such payment on such maturity or redemption date.

Section 11.02 Defeasance Opinion and Verification. Prior to any defeasance becoming effective as provided in Section 11.01(b), there shall have been delivered to the Issuer and to the Trustee (A) an opinion of Nationally Recognized Bond Counsel to the effect that interest on any Bonds being discharged by such defeasance will not become subject to federal income taxation by reason of such defeasance, and (B) a verification from an independent certified public accountant or firm of independent certified public accountants (in each case reasonably satisfactory to the Issuer and the Trustee) to the effect that the moneys and/or Defeasance Obligations are sufficient, without reinvestment, to pay the principal of, Sinking Fund Installments for, interest on, and redemption premium, if any, of the Bonds to be defeased.

Section 11.03 No Limitation of Rights of Holders. No provision of this Article XI, including any defeasance of Bonds, shall limit the rights of the Holder of any Bonds under Section 3.06, 3.07 or 3.09 until such Bonds shall have been paid in full.

ARTICLE XII

AMENDMENTS OF INDENTURE

Section 12.01 Limitation on Modifications. This Indenture shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article.

Section 12.02 Supplemental Indentures Without Bondholders' Consent.

(a) The Issuer and the Trustee may, from time to time and at any time, enter into Supplemental Indentures without the consent of the Bondholders, but subject to the consent of the Bondholder Representative, for any of the following purposes:

(i) To cure any formal defect, omission or ambiguity in this Indenture or in any description of property subject to the lien hereof, if such action in the Opinion of Counsel is not materially adverse to the interests of the Bondholders.

(ii) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security which may lawfully be granted or conferred and which are not contrary to or inconsistent with this Indenture as theretofore in effect.

(iii) To add to the covenants and agreements of the Issuer in this Indenture other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with this Indenture as theretofore in effect.

(iv) To add to the limitations and restrictions in this Indenture other limitations and restrictions to be observed by the Issuer which are not contrary to or inconsistent with this Indenture as theretofore in effect.

(v) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, this Indenture, of the properties of the Facility, or revenues or other income from or in connection with the Facility or of any other moneys, securities or funds, or to subject to the lien or pledge of this Indenture additional revenues, properties or collateral.

(vi) To modify or amend such provisions of this Indenture as shall, in the opinion of Nationally Recognized Bond Counsel, be necessary to assure that the interest on the Bonds not be includable in gross income for Federal income tax purposes.

(vii) To effect any other change herein which, in the judgment of the Trustee, is not to the material prejudice of the Trustee or the Bondholders.

(viii) To modify, amend or supplement this Indenture or any Supplemental Indenture in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add to this Indenture or any Supplemental Indenture such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute.

(ix) To issue Additional Bonds in accordance with Section 2.07.

(b) Before the Issuer and the Trustee shall enter into any Supplemental Indenture pursuant to this Section, there shall have been filed with the Trustee an opinion of Nationally Recognized Bond Counsel stating that such Supplemental Indenture is authorized or permitted by this Indenture and complies with its terms, and that upon execution it will be valid and binding upon the Issuer in accordance with its terms.

Section 12.03 Supplemental Indentures With Bondholders' Consent.

(a) Subject to the terms and provisions contained in this Article, the Bondholder Representative (or, if no Bondholder Representative exists, the Majority Holders) shall have the right from time to time, to consent to and approve the entering into by the Issuer and the Trustee of any Supplemental Indenture as shall be deemed necessary or desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained herein. Nothing herein contained shall permit, or be construed as permitting, (i) a change in the times, amounts or currency of payment of the principal of, Sinking Fund Installments for, redemption premium, if any, or interest on any Outstanding Bonds, a change in the terms of redemption or maturity of the principal of or the interest on any Outstanding Bonds, or a reduction in the principal amount of or the Redemption Price of any Outstanding Bond or the rate of interest thereon, or any extension of the time of payment thereof, without the consent of the Holder of such Bond, (ii) the creation of a lien upon or pledge of the Trust Estate other than the liens or pledge created by this Indenture and the other Security Documents, except as provided in this Indenture with respect to Additional Bonds, (iii) a preference or priority of any Bond or Bonds over any other Bond or Bonds, (iv) a reduction in the aggregate principal amount of Bonds required for consent to such Supplemental Indenture, or (v) a modification, amendment or deletion with respect to any of the terms set forth in this Section 12.03(a), without, in the case of items (ii) through and including (v) of this Section 12.03(a), the written consent of one hundred percent (100%) of the Holders of the Outstanding Bonds.

(b) If at any time the Issuer shall determine to enter into any Supplemental Indenture for any of the purposes of this Section, it shall cause notice of the proposed Supplemental Indenture to be mailed, postage prepaid, to all Bondholders. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture, and shall state that a copy thereof is on file at the offices of the Trustee for inspection by all Bondholders.

(c) Within one year after the date of such notice, the Issuer and the Trustee may enter into such Supplemental Indenture in substantially the form described in such notice only if

there shall have first been filed with the Trustee (i) the written consents of the Bondholder Representative or, if no Bondholder Representative, the Majority Holders or the Holders of not less than 100%, as the case may be, in aggregate principal amount of the Bonds then Outstanding and (ii) an opinion of Nationally Recognized Bond Counsel stating that such Supplemental Indenture (A) is authorized or permitted by this Indenture and complies with its terms, and that upon execution it will be valid and binding upon the Issuer in accordance with its terms and (B) will not cause the interest on any Series of Bonds (other than the Series 2018B Bonds and any other Series of taxable Additional Bonds) to become includable in gross income for Federal income tax purposes. Each valid consent given by a Holder other than the Bondholder Representative shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given. A certificate or certificates by the Trustee that it has examined such proof and that such proof is sufficient in accordance with this Indenture shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates. Any such consent shall be binding upon the Holder of the Bonds giving such consent and upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder of such Bonds giving such consent or a subsequent Holder thereof by filing such revocation with the Trustee prior to the execution of such Supplemental Indenture.

(d) If the Bondholder Representative or the Holders of not less than the percentage of Bonds required by this Section shall have consented to and approved the execution thereof as herein provided, no Holder of any Bond shall have any right to object to the execution of such Supplemental Indenture, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Issuer from executing the same or from taking any action pursuant to the provisions thereof.

(e) Upon the execution of any Supplemental Indenture pursuant to the provisions of this Section, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Issuer, the Trustee and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced under this Indenture, subject in all respects to such modifications and amendments.

Section 12.04 Supplemental Indenture Part of this Indenture. Any Supplemental Indenture executed in accordance with the provisions of this Article shall thereafter form a part of this Indenture and all the terms and conditions contained in any such Supplemental Indenture as to any provisions authorized to be contained therein shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes. The Trustee shall execute any Supplemental Indenture entered into in accordance with the provisions of Section 12.02 or 12.03.

ARTICLE XIII

AMENDMENTS OF RELATED SECURITY DOCUMENTS

Section 13.01 Rights of Institution. Anything herein to the contrary notwithstanding, any Supplemental Indenture entered into pursuant to Article XII which materially and adversely affects any rights, powers and authority of the Institution under the Loan Agreement or requires a revision of the Loan Agreement shall not become effective unless and until the Institution shall have given its written consent to such Supplemental Indenture signed by an Authorized Representative of the Institution.

Section 13.02 Amendments of Related Security Documents Not Requiring Consent of Bondholders. The Issuer and the Trustee may, without the consent of or notice to the Bondholders, but subject to the consent of the Bondholder Representative, if any, consent (if required) to any amendment, change or modification of any of the Related Security Documents for any of the following purposes: (i) to cure any ambiguity, inconsistency, formal defect or omission therein; (ii) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security which may be lawfully granted or conferred; (iii) to subject thereto additional revenues, properties or collateral; (iv) to evidence the succession of a successor Trustee or to evidence the appointment of a separate or co-Trustee or the succession of a successor separate or co-Trustee; (v) to make any change required in connection with a permitted amendment to a Related Security Document or a permitted Supplemental Indenture including in connection with the issuance of Additional Bonds in accordance with Section 2.07; and (vi) to make any other change that, in the judgment of the Trustee (which, in exercising such judgment, may conclusively rely, and shall be protected in relying, in good faith, upon an Opinion of Counsel or an opinion or report of engineers, accountants or other experts) does not materially adversely affect the Bondholders. The Trustee shall have no liability to any Bondholder or any other Person for any action taken by it in good faith pursuant to this Section. Before the Issuer or the Trustee shall enter into or consent to any amendment, change or modification to any of the Related Security Documents, there shall be filed with the Trustee an opinion of Nationally Recognized Bond Counsel to the effect that such amendment, change or modification will not cause the interest on any of the Bonds (other than the Series 2018B Bonds and any other taxable Additional Bonds) to cease to be excluded from gross income for federal income tax purposes under the Code.

Section 13.03 Amendments of Related Security Documents Requiring Consent of Bondholders. Except as provided in Section 13.02, the Issuer and the Trustee shall not consent to any amendment, change or modification of any of the Related Security Documents, without mailing of notice and the written approval or consent of the Bondholder Representative (or, if no Bondholder Representative exists, the Majority Holders) given and procured as in Section 12.03 set forth; provided, however, there shall be no amendment, change or modification to (i) the obligation of the Institution to make loan payments with respect to the Bonds under the Loan Agreement or the Promissory Note or (ii) the Tax Regulatory Agreement, without the delivery of an opinion of Nationally Recognized Bond Counsel to the effect that such amendment, change, modification, reduction or postponement will not cause the interest on any Series of Bonds that are tax-exempt to become includable in gross income for Federal income tax purposes. If at any time the Institution shall request the consent of the Trustee to any such proposed amendment,

change or modification, the Trustee shall cause notice of such proposed amendment, change or modification to be mailed in the same manner as is provided in Article XII with respect to Supplemental Indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the principal office of the Trustee for inspection by all Bondholders. The Trustee may, but shall not be obligated to, enter into any such amendment, change or modification to a Related Security Document which affects the Trustee's own rights, duties or immunities under such Related Security Document or otherwise. Before the Trustee shall enter into or consent to any amendment, change or modification to any of the Related Security Documents, there shall be filed with the Trustee an opinion of Nationally Recognized Bond Counsel to the effect that such amendment, change or modification will not cause the interest on any of the Bonds (other than the Series 2018B Bonds and any other taxable Additional Bonds) to cease to be excluded from gross income for federal income tax purposes under the Code.

ARTICLE XIV

MISCELLANEOUS

Section 14.01 Evidence of Signature of Bondholders and Ownership of Bonds.

(a) Any request, consent, revocation of consent, approval, objection or other instrument which this Indenture may require or permit to be signed and executed by the Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by any Bondholder in person or by his duly authorized attorney appointed in writing. Proof of the execution of any such instrument, or of an instrument appointing any such attorney, shall be sufficient for any purpose of this Indenture (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable: the fact and date of the execution by any Bondholder or his attorney of such instruments may be proved by a guarantee of the signature thereon by a member of the Stock Exchanges Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15, or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. For the purposes of the transfer or exchange of any Bond, the fact and date of the execution of the Bondholder or his attorney of the instrument of transfer shall be proved by a guarantee of the signature thereon by a member of the Stock Exchanges Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of his authority.

(b) The ownership of Bonds and the amount, numbers and other identification shall be proved by the registry books.

(c) Except as otherwise provided in Section 12.03 with respect to revocation of a consent, any request or consent by the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Issuer or the Trustee or any Paying Agent in accordance therewith.

(d) Any Bonds held by the Institution shall not be entitled to any voting rights hereunder.

(e) The Bondholder Representative shall be an intended beneficiary of this Indenture entitled to enforce the rights of the Bondholder Representative hereunder as if the Bondholder Representative were a party hereto.

Section 14.02 Notices. Any notice, demand, direction, certificate, Opinion of Counsel, request, instrument or other communication authorized or required by this Indenture to be given to or filed with the Issuer, the Institution, the Trustee or the Bondholder Representative shall be sufficient if sent (i) by return receipt requested or registered or certified United States mail, postage prepaid, (ii) by a nationally recognized overnight delivery service for overnight delivery, charges prepaid or (iii) by hand delivery, addressed, as follows:

(i) if to the Issuer, to

Build NYC Resource Corporation
110 William Street
New York, New York 10038
Attention: General Counsel (with a copy to the Executive Director of the Issuer at the same address)

(ii) if to the Institution, to

Friends of Hebrew Public Borrower, LLC
c/o Hebrew Public
555 8th Avenue, Suite 1703
New York, New York 10018
Attention: President (with a copy to the Chief Financial Officer at the same address)

with a copy to

Perlman & Perlman LLP
41 Madison Avenue, Suite 4000
New York, New York 10010
Attention: Alan Bromburger, Esq.

and to

Arent Fox LLP

1301 Avenue of the Americas, Floor 42
New York, New York 10019
Attention: Richard Krainin, Esq.

(iii) if to the Trustee, to

The Bank of New York Mellon
240 Greenwich Street, Floor 7W
New York, New York 10286
Attention: Corporate Trust Administration

(iv) if the Bondholder Representative, to

Rosemawr Management LLC
810 Seventh Avenue, 27th Floor
New York, New York 10019
Attention: c/o HLA2 Disclosure Department

with a copy to hla2@rosemawr.com

The Issuer, the Institution, the Trustee and the Bondholder Representative may, by like notice, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Any notice, certificate or other communication hereunder shall, except as may expressly be provided herein, be deemed to have been delivered or given (i) three (3) Business Days following posting if transmitted by mail, (ii) one (1) Business Day following sending if transmitted for overnight delivery by a nationally recognized overnight delivery service, or (iii) upon delivery if given by hand delivery, with refusal by an Authorized Representative of the intended recipient party to accept delivery of a notice given as prescribed above to constitute delivery hereunder. The Trustee shall promptly provide copies of all notices received by the Trustee hereunder or under any other Project Document to the Bondholder Representative.

Section 14.03 Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the Issuer, the Institution, the Bondholder Representative, the Trustee, the Bond Registrar, the Paying Agents and the Holders of the Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation thereof. All covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Institution, the Bondholder Representative, the Trustee, the Bond Registrar, the Paying Agents and the Holders of the Bonds.

Section 14.04 Partial Invalidity. If any one or more of the provisions of this Indenture or of the Bonds shall be ruled illegal or invalid by any court of competent jurisdiction, the illegality or invalidity of such provision(s) shall not affect any of the remaining provisions hereof or of the Bonds, but this Indenture and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

Section 14.05 Effective Date; Counterparts. The date of this Indenture shall be for reference purposes only and shall not be construed to imply that this Indenture was executed on the date first above written. This Indenture was delivered on the Closing Date. This Indenture shall become effective upon its delivery on the Closing Date. It may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14.06 Laws Governing Indenture. This Indenture shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without regard or giving effect to the principles of conflicts of laws thereof.

Section 14.07 No Pecuniary Liability of Issuer or Members; No Debt of the State or the City. Every agreement, covenant and obligation of the Issuer under this Indenture is predicated upon the condition that any obligation for the payment of money incurred by the Issuer shall not create a debt of the State or the City and neither the State nor the City shall be liable on any obligation so incurred, and the Bonds shall not be payable out of any funds of the Issuer other than those pledged therefor but shall be a limited revenue obligation of the Issuer payable by the Issuer solely from the loan payments, revenues and receipts pledged to the payment thereof in the manner and to the extent in this Indenture specified and nothing in the Bonds, in the Loan Agreement, in this Indenture or in any other Security Document shall be considered as pledging any other funds or assets of the Issuer. The Issuer shall not be required under this Indenture or the Loan Agreement or any other Security Document to expend any of its funds other than (i) the proceeds of the Bonds, (ii) the loan payments, revenues and receipts and other moneys pledged to the payment of the Bonds, (iii) any income or gains therefrom, and (iv) the Net Proceeds with respect to the Facility. No provision, covenant or agreement contained in this Indenture or in the Bonds or any obligations herein or therein imposed upon the Issuer or the breach thereof, shall constitute or give rise to or impose upon the Issuer a pecuniary liability or a charge upon its general credit.

All covenants, stipulations, promises, agreements and obligations of the Issuer contained herein shall be deemed to be covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member, director, officer, employee or agent of the Issuer in his individual capacity, and no recourse shall be had for the payment of the principal or Redemption Price, if any, of, Sinking Fund Installments for, or interest on the Bonds or for any claim based thereon or hereunder against any member, director, officer, employee or agent of the Issuer or any natural person executing the Bonds. Neither the Bonds, the interest thereon, the Sinking Fund Installments therefor, nor the Redemption Price thereof shall ever constitute a debt of the State or of the City and neither the State nor the City shall be liable on any obligation so incurred, and the Bonds shall not be payable out of any funds of the Issuer other than those pledged therefor.

Section 14.08 Priority of Indenture Over Liens. This Indenture and the Mortgage are given in order to secure funds to pay for the Project and by reason thereof, it is intended that this Indenture and the Mortgage shall be superior to any laborers', mechanics' or materialmen's liens which may be placed upon the Facility subsequent to the recordation of the Mortgage. In compliance with Section 13 of the Lien Law, the Issuer will receive the advances secured by this Indenture and the Mortgage and will hold the right to receive such advances as a

trust fund to be applied first for the purpose of paying the cost of improvements and that the Issuer will apply the same first to the payment of the costs of improvements before using any part of the total of the same for any other purpose.

Section 14.09 Consent to Jurisdiction. Each party hereto irrevocably and unconditionally (i) agrees that any suit, action or other legal proceeding arising out of or related to this Indenture may be brought in the courts of record of the State in New York County or the United States District Court for the Southern District of New York; (ii) consents to the jurisdiction of each such court in any such suit, action or proceeding; (iii) waives any objection which it may have to the venue of any such suit, action or proceeding in such courts; and (iv) waives and relinquishes any rights it might otherwise have (x) to move to dismiss on grounds of forum non conveniens, (y) to remove to any federal court other than the United States District Court for the Southern District of New York, and (z) to move for a change of venue to a New York State Court outside New York County.

Section 14.10 Waiver of Trial by Jury. Each party hereto hereby expressly waives all rights to a trial by jury on any cause of action directly or indirectly involving the terms, covenants or conditions of this Indenture or any matters whatsoever arising out of or in any way connected with this Indenture. The provisions of this Indenture relating to waiver of trial by jury shall survive the termination or expiration of this Indenture.

Section 14.11 Legal Counsel; Mutual Drafting. Each party acknowledges that this Indenture is a legally binding contract and that it was represented by legal counsel in connection with the drafting, negotiation and preparation of this Indenture. Each party acknowledges that it and its legal counsel has cooperated in the drafting, negotiation and preparation of this Indenture and agrees that this Indenture and any provision hereof shall be construed, interpreted and enforced without regard to any presumptions against the drafting party. Each party hereby agrees to waive any rule, doctrine or canon of law, including without limitation, the *contra preferentum* doctrine, that would require interpretation of any ambiguities in this Indenture against the party that has drafted it

Section 14.12 Control by Bondholder Representative. Notwithstanding any other provision to the contrary, any discretionary action on the part of the Trustee contained herein or in any Project Document, including, without limitation, any consent or waiver hereunder or thereunder, shall require the prior written consent of the Bondholder Representative, and the Trustee hereby agrees to take such action, or refrain from taking such action, upon the written direction of the Bondholder Representative. Notwithstanding the foregoing, the Trustee shall not be required to take any such action at the direction of the Bondholder Representative unless the Bondholder Representative provides indemnification to the Trustee as provided in Section 9.02.

(Remainder of Page Intentionally Left Blank – Signature Page Follows)

IN WITNESS WHEREOF, Build NYC Resource Corporation, New York, New York, has caused these presents to be executed in its name and behalf by its Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel and, to evidence its acceptance of the trust hereby created, the Trustee has caused these presents to be signed in its name and behalf by an authorized representative and its corporate seal to be hereunto affixed, all as of the day and year first above written.

BUILD NYC RESOURCE CORPORATION

By:_____
Krishna Omolade
Deputy Executive Director

THE BANK OF NEW YORK MELLON, AS TRUSTEE

By:_____
Glenn Kunak
Vice President

Signature Page 1 of 2
Indenture of Trust

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On the ___ day of August of the year 2018, before me, the undersigned, personally appeared **Krishna Omolade** 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 the behalf of whom the individual acted, executed the instrument.

_____
Notary Public/Commissioner of Deeds

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On the ___ day of August, in the year 2018, before me, the undersigned, personally appeared **Glenn Kunak** 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 the behalf of whom the individual acted, executed the instrument.

_____
Notary Public

APPENDICES

EXHIBIT A

DESCRIPTION OF THE LAND

EXHIBIT B

DESCRIPTION OF THE FACILITY PERSONALTY

The acquisition of fixtures and other equipment for incorporation and/or use at the building located at 166 Kings Highway, Brooklyn, New York 11223 (Block 6619, Lot 42), financed with the proceeds of the Build NYC Resource Corporation Revenue Bonds, Series 2018 (Friends of Hebrew Public Borrower, LLC Project).

EXHIBIT C-1

FORM OF FULLY REGISTERED SERIES 2018A BOND

THIS BOND SHALL NEVER CONSTITUTE A DEBT OR INDEBTEDNESS OF THE STATE OF NEW YORK OR OF THE CITY OF NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR THE CITY OF NEW YORK SHALL BE LIABLE HEREON, NOR SHALL THIS BOND BE PAYABLE OUT OF ANY FUNDS OF THE BUILD NYC RESOURCE CORPORATION OTHER THAN THOSE PLEDGED THEREFOR

THIS BOND MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY TO A PERSON CONSTITUTING A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933, AS AMENDED) OR AN "ACCREDITED INVESTOR" (AS DEFINED IN REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED)

BUILD NYC RESOURCE CORPORATION
REVENUE BOND, SERIES 2018A
(FRIENDS OF HEBREW PUBLIC BORROWER, LLC PROJECT)

Bond Date:	September 6, 2018
Maturity Date:	June 15, 2052
Registered Owner:	Cede & Co.
Principal Amount:	$34,030,000
Interest Rate:	5.875%
Bond Number:	AR-
CUSIP:	12008E NS1

THIS BOND IS BEING ISSUED AS A DRAW-DOWN BOND, IN THAT THE REGISTERED HOLDER WILL PURCHASE THE PRINCIPAL AMOUNT OF THIS BOND IN INSTALLMENTS, AT PAR, IN ACCORDANCE WITH THE TERMS OF AND AS REQUIRED BY SECTION 4.01(d) OF THE INDENTURE (HEREINAFTER DEFINED). ACCORDINGLY, THE PRINCIPAL AMOUNT OF THIS BOND WHICH HAS BEEN PURCHASED BY THE REGISTERED HOLDER IS OUTSTANDING AT ANY GIVE TIME MAY BE LESS THAN THE MAXIMUM PRINCIPAL AMOUNT OF THIS BOND AS SET FORTH ON THE FACE OF THIS BOND. UPON EACH PURCHASE OF A PORTION OF THE PRINCIPAL AMOUNT OF THIS BOND IN ACCORDANCE WITH THE TERMS OF SECTION 4.01(d) OF THE INDENTURE, THE TRUSTEE (HEREINAFTER DEFINED) WILL NOTE ON A PRINCIPAL LOG KEPT BY THE TRUSTEE IN THE SAME FORM AS EXHIBIT

A HERETO THE PRINCIPAL AMOUNT OF THIS BOND SO PURCHASED, THE DATE OF SUCH PURCHASE AND THE TOTAL PRINCIPAL AMOUNT OF THIS BOND THEN OUTSTANDING. THE RECORDS MAINTAINED BY THE TRUSTEE IN SUCH REGARD WILL BE CONCLUSIVE EVIDENCE OF THE PRINCIPAL AMOUNT OF THIS BOND WHICH HAS BEEN PURCHASED AND IS OUTSTANDING ABSENT MANIFEST ERROR. THE PRINCIPAL AMOUNT OF THIS BOND PURCHASED BY THE REGISTERED HOLDER WILL BE NOTED BY THE TRUSTEE ON THE PRINCIPAL LOG ATTACHED TO THIS BOND

Promise to Pay. Build NYC Resource Corporation, a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State of New York at the direction of the Mayor of The City of New York (herein called the "Issuer"), for value received, hereby promises to pay as hereinafter provided, solely from the loan payments, revenues and receipts as provided in the Indenture of Trust hereinafter referred to, to the Registered Owner identified above or registered assigns, upon presentation and surrender hereof, on the Maturity Date set forth above, the Principal Amount set forth above, and in like manner to pay interest at the Interest Rate set forth above on the unpaid principal balance hereof from the Bond Date hereof until the Issuer's obligation with respect to the payment of such Principal Amount shall be discharged. Payment of interest shall be made initially on December 15, 2018 and thereafter on June 15 and December 15 in each year (or, if such day is not a Business Day, the immediately succeeding Business Day). Such interest shall be computed on the basis of a 360-day year of twelve 30-day months. In no event shall the interest rate payable hereon exceed the maximum permitted by or enforceable under, applicable law. Payment shall be made in any coin or currency of the United States of America which, on the respective dates of payment, is legal tender for the payment of public and private debts.

This bond shall bear interest from the Bond Date indicated above, if authenticated prior to the first Interest Payment Date. If authenticated on or after the first Interest Payment Date, in exchange for or upon the registration of transfer of Bonds (as defined below), this bond shall bear interest from and including the Interest Payment Date next preceding the date of the authentication hereof, unless the date of such authentication shall be an Interest Payment Date to which interest hereon has been paid in full or duly provided for, in which case, this bond shall bear interest from and including such Interest Payment Date.

Method of Currency. The principal of, Sinking Fund Installments for, Redemption Price or Purchase Price, if applicable, and interest on the Bonds shall be payable in any coin or currency of the United States of America that on the respective dates of payment thereof is legal tender for the payment of public and private debts.

Payments. The principal of, Sinking Fund Installments for, and the Redemption Price, if applicable, on all Bonds shall be payable by check or draft or wire transfer of immediately available funds at maturity or upon earlier redemption to the Persons in whose names such Bonds are registered on the bond registration books maintained by the Trustee as Bond Registrar at the maturity or redemption date thereof, provided, however, that the payment in full of any Bond either at final maturity or upon redemption in whole shall only be payable upon the presentation and surrender of such Bonds at the designated corporate trust office of The Bank of New York Mellon

in New York, New York, as trustee and paying agent (the "Paying Agent"), or at the corporate trust office of any successor Paying Agent.

The interest payable on each Bond on any Interest Payment Date shall be paid by the Trustee to the registered owner of such Bond as shown on the bond registration books of the Trustee as Bond Registrar at the close of business on the Record Date for such interest, (1) by check or draft mailed to such registered owner at his address as it appears on the bond registration books or at such other address as is furnished to the Trustee in writing by such owner, or (2) if such Bonds are held by a Securities Depository or, at the written request addressed to the Trustee by any registered owner of Bonds in the aggregate principal amount of at least $1,000,000 that all such payments be made by wire transfer, by electronic transfer in immediately available funds to the bank for credit to the ABA routing number and account number filed with the Trustee no later than five (5) Business Days before an Interest Payment Date, but no later than a Record Date for any interest payment.

Interest on any Bond that is due and payable but not paid on the date due ("Defaulted Interest") shall cease to be payable to the owner of such Bond on the relevant Record Date and shall be payable to the owner in whose name such Bond is registered at the close of business on a special record date (the "Special Record Date") for the payment of such Defaulted Interest, which Special Record Date shall be fixed as provided in the Indenture.

Authorization and Purpose. This bond is one of an authorized issue of bonds designated as "Build NYC Resource Corporation Revenue Bonds, Series 2018A (Friends of Hebrew Public Borrower, LLC Project)" (hereinafter called the "Series 2018A Bonds") issued in the aggregate principal amount of $36,030,000. Contemporaneously with the issuance of the Series 2018A Bonds, this Issuer is also issuing its Taxable Revenue Bonds, Series 2018B (Friends of Hebrew Public Borrower, LLC Project)" (hereinafter called the "Series 2018B Bonds"; and, together with the Series 2018A Bonds, the "Bonds") in the aggregate principal amount of $1,980,000. The Bonds are being issued under and pursuant to and in full compliance with the Constitution and laws of the State of New York, particularly the Not-for-Profit Corporation Law of the State of New York, and under and pursuant to a resolution adopted by the members of the Issuer on June 12, 2018, authorizing the issuance of the Bonds and under and pursuant to an Indenture of Trust, dated as of September 1, 2018 (as the same may be amended or supplemented, the "Indenture"), made and entered into by and between the Issuer and The Bank of New York Mellon, as trustee (said bank and any successor thereto under the Indenture being referred to herein as the "Trustee"), for the purpose of financing a portion of the cost of (1) acquisition of an approximately 17,420 square foot parcel of land located at 166 Kings Highway, Brooklyn, New York 11223 (the "Land"); (2) demolition of the existing improvements located on the Land; (3) construction and furnishing and equipping of an approximately 34,570 square foot building comprised three above-ground stories for general classroom and administrative use and a cellar with mechanical equipment, together with related site improvements; and (4) the payment of capitalized interest and certain costs of the issuance of the bonds (collectively, the "Project") on behalf of Friends of Hebrew Public Borrower, LLC, a limited liability company organized and existing under the laws of the State of Delaware that is a disregarded entity for federal tax purposes (the "Institution"). In order to finance a portion of the costs of the Project, the Issuer has made a loan to the Institution in the original principal amount of the Bonds from the proceeds of the Bonds pursuant to a certain Loan Agreement, dated as of September 1, 2018, between the Issuer and the

Institution (as the same may be amended or supplemented, the "Loan Agreement"), and the Institution has executed certain Promissory Notes dated the date of original issuance of the Bonds in favor of the Issuer (as the same may be amended or supplemented, collectively, the "Promissory Note") to evidence the Institution's obligation under the Loan Agreement to repay such loan. Each of the Loan Agreement and the Promissory Note requires the payment by the Institution of loan payments sufficient to provide for the payment of the principal or Redemption Price, if any, of, Sinking Fund Installments for, and interest on the Bonds as the same become due. Copies of the Indenture, the Loan Agreement, the Promissory Note, and the Mortgage, Pledge and Security Agreement and Account Control Agreement hereinafter referred to are on file at the designated corporate trust office of the Trustee in New York, New York, and reference is made to such documents for the provisions relating, among other things, to the terms and security of the Bonds, the charging and collection of loan payments, the custody and application of the proceeds of the Bonds, the rights and remedies of the holders of the Bonds, and the rights, duties and obligations of the Issuer, the Institution and the Trustee.

Pledge and Security. Pursuant to the Indenture, the Issuer has assigned to the Trustee all of its right, title and interest in and to the Promissory Note and substantially all of its right, title and interest in and to the Loan Agreement, including all rights to receive loan payments sufficient to pay the principal or Redemption Price, if any, of, Sinking Fund Installments for, and interest and all other amounts due on the Bonds as the same become due, to be made by the Institution pursuant to the Loan Agreement and the Promissory Note. The Bonds are also secured by mortgage liens on and security interests in the Institution's fee interest in the Facility pursuant to a Mortgage and Security Agreement (Acquisition Loan), the Mortgage and Security Agreement (Building Loan) and a Mortgage and Security Agreement (Indirect Loan), each dated as of September 1, 2018, and each from the Institution to the Issuer and the Trustee (as each of the same may hereafter be amended or supplemented, collectively the "Mortgage"). Pursuant to an Assignment of Mortgage (as defined in the Indenture), the Issuer has assigned to the Trustee all of the Issuer's right, title and interest in and to the Mortgage. Pursuant to the terms of the Lease Agreement (as defined in the Indenture), the Institution has directed the School to make the School's payments of Rent payments (as defined in the Lease Agreement) directly to Institution's bank account that is subject to the Account Control Agreement, dated as of September 6, 2018 by and among the Trustee, the Institution and The Bank of New York Mellon as depository bank (the "Account Control Agreement"). Pursuant to the terms of an Account Control Agreement, the Institution will grant a security interest in the Institution's operating account to the Trustee and also authorize the Trustee to transfer the amounts required under the Indenture and the Loan Agreement to the Revenue Fund. The Bonds are further secured by a lien and security interest in the Pledged Collateral pursuant to, and as defined in, a certain Pledge and Security Agreement, dated as of September 1, 2018 (as the same may hereafter be amended or supplemented, the pledge and Security Agreement from the Institution to the Trustee.

THE BONDS ARE SPECIAL LIMITED REVENUE OBLIGATIONS OF THE ISSUER AND SHALL NEVER CONSTITUTE A DEBT OF THE STATE OF NEW YORK OR OF THE CITY OF NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR THE CITY OF NEW YORK SHALL BE LIABLE THEREON, NOR SHALL THE BONDS BE PAYABLE OUT OF ANY FUNDS OF THE ISSUER OTHER THAN THOSE PLEDGED THEREFOR.

Reference is hereby made to the Indenture for the definition of any capitalized word or term used but not defined herein and for a description of the property pledged, assigned and otherwise available for the payment of the Bonds, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Issuer, the Trustee and the holders of the Bonds, and the terms upon which the Bonds are issued and secured.

Additional Bonds. As provided in the Indenture, upon satisfying certain conditions including in certain circumstances obtaining Bondholder Representative (or, if no Bondholder Representative exists, Bondholder) consents, a Series of Additional Bonds may be issued from time to time in one or more series for the purpose of financing the cost of completing the Project, providing funds in excess of Net Proceeds to repair, relocate, replace, rebuild or restore the Facility in the event of damage, destruction or taking by eminent domain, providing extensions, additions or improvements to the Facility, or refunding outstanding Bonds (to the extent that such Bonds shall be subject to earlier redemption). All bonds issued and to be issued under the Indenture are and will be equally secured by the pledge and covenants made therein, except as may otherwise be expressly provided in the Indenture.

General Interest Rate Limitation. Anything herein or in the Indenture to the contrary notwithstanding, the obligations of the Issuer hereunder and under the Indenture shall be subject to the limitation that payments of interest or other amounts hereon shall not be required to the extent that receipt of any such payment by a holder of this bond would be contrary to the provisions of law applicable to such holder of this bond which would limit the maximum rate of interest which may be charged or collected by such holder of this bond.

Redemption of Bonds. (A) General Optional Redemption. The Series 2018A Bonds are subject to optional redemption, on or after August 15, 2028, in whole or in part at any time (but if in part in Authorized Denominations) at the option of the Issuer (which option shall be exercised only upon the giving of notice by the Institution of its intention to prepay loan payments due under the Loan Agreement), at the Redemption Price of 100% of unpaid principal amount of the Series 2018A Bonds to be redeemed, plus accrued interest to the date of redemption.

(B) Extraordinary Redemption. The Bonds are subject to redemption prior to maturity, at the option of the Issuer exercised at the direction of the Institution (which option shall be exercised only upon the giving of notice by the Institution of its intention to prepay loan payments due under the Loan Agreement), as a whole on any date, upon notice or waiver of notice as provided in the Indenture, at a Redemption Price of one hundred percent (100%) of the unpaid principal amount thereof plus accrued interest to the date of redemption, if one or more of the following events shall have occurred:

(i) The Facility shall have been damaged or destroyed to such extent that, as evidenced by a certificate of an Independent Engineer filed with the Issuer and the Trustee, (A) the Facility cannot be reasonably restored within a period of one year from the date of such damage or destruction to the condition thereof immediately preceding such damage or destruction, (B) the Institution is thereby prevented or likely to be prevented from carrying on its normal operation at the Facility for a period of one year from the date of such damage or destruction, or (C) the restoration cost of the Facility would exceed the

total amount of all insurance proceeds, including any deductible amount, in respect of such damage or destruction; or

(ii) Title to, or the temporary use of, all or substantially all of the Facility shall have been taken or condemned by a competent authority which taking or condemnation results, or is likely to result, in the Institution being thereby prevented or likely to be prevented from carrying on its normal operation at the Facility for a period of one year from the date of such taking or condemnation, as evidenced by a certificate of an Independent Engineer filed with the Issuer and the Trustee; or

(iii) As a result of changes in the Constitution of the United States of America or of the State of New York or of legislative or executive action of said State or any political subdivision thereof or of the United States of America or by final decree or judgment of any court after the contest thereof by the Institution, the Loan Agreement becomes void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed therein or unreasonable burdens or excessive liabilities are imposed upon the Institution by reason of the operation of the Facility.

If the Bonds are to be redeemed in whole as a result of the occurrence of any of the events described above, the Institution shall deliver to the Issuer and the Trustee a certificate of an Authorized Representative of the Institution stating that, as a result of the occurrence of the event giving rise to such redemption, the Institution has discontinued, or at the earliest practicable date will discontinue, its operation of the Facility for its intended purposes.

(C) Mandatory Sinking Fund Installment Redemption. The Series 2018A Bonds shall be subject to mandatory redemption by the Issuer prior to maturity, in part by lot, at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof, together with accrued interest to the date of redemption, from mandatory Sinking Fund Installments on the dates and in the principal amounts set forth below, provided that the amounts of such Sinking Fund Installments shall be reduced by the credits provided for in the Indenture:

Sinking Fund Installment Payment Date (June 15)	Sinking Fund Installment	Sinking Fund Installment Payment Date (June 15)	Sinking Fund Installment
2027	$ 550,000	2040	$1,230,000
2028	620,000	2041	1,305,000
2029	660,000	2042	1,380,000
2030	695,000	2043	1,460,000
2031	735,000	2044	1,550,000
2032	780,000	2045	1,640,000
2033	825,000	2046	1,735,000
2034	875,000	2047	1,840,000
2035	925,000	2048	1,945,000
2036	980,000	2049	2,060,000
2037	1,040,000	2050	2,180,000
2038	1,100,000	2051	2,310,000
2039	1,165,000	2052*	2,445,000

(*final maturity)

(D) Mandatory Redemption Upon Failure to Operate the Facility for the Approved Project Operations, Material Violation of Material Legal Requirements, False Representation or Failure to Maintain Liability Insurance. The Bonds are also subject to mandatory redemption prior to maturity, at the option of the Issuer, as a whole only, in the event (i) the Issuer shall determine that (w) the Institution is operating the Facility or any portion thereof, or is allowing the Facility or any portion thereof to be operated, not for the Approved Project Operations, (x) the Institution, any Principal of the Institution or any Person that directly or indirectly Controls, is Controlled by or is under common Control with the Institution has committed a material violation of a material Legal Requirement, (y) any Conduct Representation is false, misleading or incorrect in any material respect at any date, as if made on such date, or (z) a Required Disclosure Statement delivered to the Issuer under any Project Document is not acceptable to the Issuer acting in its sole discretion, or (ii) the Institution shall fail to obtain or maintain the liability insurance with respect to the Facility required under the Loan Agreement, and, in the case of clause (i) or (ii) above, the Institution shall fail to cure any such default or failure within the applicable time periods set forth in the Loan Agreement following the receipt by the Institution of written notice of such default or failure from the Issuer and a demand by the Issuer on the Institution to cure the same. Any such redemption shall be made upon notice or waiver of notice to the Bondholders as provided in the Indenture, at the Redemption Price of one hundred percent (100%) of the unpaid principal amount of the Bonds, together with interest accrued thereon to the date of redemption.

(E) Mandatory Taxability Redemption. Upon the occurrence of a Determination of Taxability, the Bonds shall be redeemed prior to maturity on any date within forty-five (45) days following such Determination of Taxability, at a Redemption Price equal to one hundred and five percent (105%) of the principal amount thereof, together with accrued interest to the date of redemption. The Bonds shall be redeemed in whole.

(F) Mandatory Redemption from Certain Other Amounts. The Bonds shall be redeemed at any time in whole or in part by lot prior to maturity in the event and to the extent:

(i) excess Bond proceeds shall remain after the completion of the Project (provided however, for the avoidance of doubt, excess Series 2018A Bond proceeds shall only be used to redeem Series 2018A Bonds and excess Series 2018B Bond proceeds shall only be used to redeem Series 2018B Bonds),

(ii) excess title insurance or property insurance proceeds or condemnation awards shall remain after the application thereof pursuant to the Loan Agreement and this Indenture,

(iii) excess proceeds shall remain after the release or substitution of Facility Realty or Facility Personalty, or

(iv) certain funds received by the Institution pursuant to any capital campaign which are earmarked for specific Project Costs shall remain with the Institution and shall not be required for the completion of the Project or related Project Costs,

in each case at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Bonds to be redeemed, together with interest accrued thereon to the date of redemption.

(G) Purchase in Lieu of Optional Redemption. In lieu of calling Series 2018A Bonds for optional redemption, the Bonds shall be subject to mandatory tender for purchase at the direction of the Issuer, upon the direction of the Institution, in whole or in part (and, if in part, in such manner as determined by the Institution) on any date on or after August 15, 2028, at a purchase price equal to the applicable Redemption Price for any optional redemption of such Series 2018A Bonds as provided above, plus accrued interest to the purchase date. Purchases of tendered Series 2018A Bonds may be made without regard to any provision of the Indenture relating to the selection of Series 2018A Bonds in a partial optional redemption. The Series 2018A Bonds purchased pursuant to any mandatory tender(s) are not required to be cancelled, and if not so cancelled (subject to the Loan Agreement), shall, prior to any resale by or on behalf of the Institution, not be deemed Outstanding in connection with any subsequent partial optional redemption solely for purposes of those provisions of the Indenture relating to the selection of Series 2018A Bonds in a partial redemption.

Purchases in lieu of an optional redemption shall be permitted, with the consent of the Issuer, upon the delivery to the Issuer and the Trustee of (i) an opinion of Nationally Recognized Bond Counsel addressed to the Issuer and the Trustee substantially to the effect that (A) such purchases in lieu of optional redemption comply with the provisions of the Indenture and (B) neither such purchases in lieu of an optional redemption nor any transaction directly related thereto will adversely affect the exclusion from gross income of interest on the Series 2018A Bonds for purposes of federal income taxation, and (ii) such other opinions, certificates or documentation as the Issuer may require.

Redemption Procedures. If any of the Bonds are to be called for redemption, the Indenture requires a copy of the redemption notice to be mailed at least thirty (30) days prior to such redemption date to the registered owner of each Bond to be redeemed at the address shown on the registration books. All Bonds so called for redemption will cease to bear interest after the date fixed for redemption if funds for their redemption are on deposit at the place of payment at that time. If notice of redemption shall have been given as aforesaid, the Bonds called for redemption shall become due and payable on the redemption date, provided, however, that with respect to any optional redemption of the Bonds as provided in this bond, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, redemption premium, if any, and interest on such Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Issuer shall not be required to redeem such Bonds. In the event that such notice of optional redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. If a notice of optional redemption shall be unconditional, or if the conditions of a conditional notice of optional redemption shall have been satisfied, then upon presentation and surrender of Bonds so called for redemption at the place or places of payment, such Bonds shall be redeemed.

Amendment of Indenture. The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the holders of the Bonds at any time by the Issuer with the consent of the Bondholder Representative (or, if no Bondholder Representative exists, the holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding thereunder). Any such consent shall be conclusive and binding upon each such holder and upon all future holders of each Bond and of any such Bond issued upon the transfer thereof, whether or not notation of such consent is made thereon.

Denominations. The Bonds are issuable in the form of fully registered bonds in the denomination of $100,000 or any integral multiple of $5,000 in excess thereof; provided however, that if the Bonds are rated investment grade by a Rating Agency, then upon the Trustee receiving written notice of the occurrence of such event, the Authorized Denominations with respect to the Bonds shall be $5,000 or any integral multiple thereof.

Exchange of Bonds. The holder of this bond may surrender the same, at the designated corporate trust office of the Trustee, in exchange for an equal aggregate principal amount of Bonds of any of the Authorized Denominations of the same maturity and maturities and interest rate as this bond or the Bonds so surrendered, subject to the conditions and upon payment of the charges provided in the Indenture. However, the Trustee will not be required to (i) transfer or exchange any Bonds during the period between a Record Date and the following Interest Payment Date or during the period of fifteen (15) days next preceding any day for the selection of Bonds to be redeemed, or (ii) transfer or exchange any Bonds selected, called or being called for redemption in whole or in part.

Transfer of Bonds. This bond is transferable, as provided in the Indenture, only upon the books of the Issuer kept for that purpose at the designated corporate trust office of the

Trustee by the registered owner hereof in person, or by his duly authorized attorney-in-fact, upon surrender of this bond (together with a written instrument of transfer in the form appearing on this bond duly executed by the registered owner or his duly authorized attorney-in-fact with a guaranty of the signature thereon by a member of the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15, and thereupon a new fully registered Bond in the same aggregate principal amount and maturity and interest rate shall be issued to the transferee in exchange therefor as provided in the Indenture and upon payment of the charges therein prescribed. The Issuer, the Bond Registrar, the Trustee and any Paying Agent may deem and treat the Person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price hereof, the Sinking Fund Installments therefor, and interest due hereon and for all other purposes whatsoever, and all payments made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer, the Institution, the Bond Registrar, the Trustee nor any Paying Agent shall be affected by any notice to the contrary.

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Issuer or the Trustee may make a charge sufficient to reimburse it for any expenses and any tax, fee or other governmental charge required to be paid in connection therewith; any such expenses shall be paid by the Institution but any such tax, fee or other governmental charge shall be paid by the Holder requesting such transfer or exchange.

Book Entry System. The Bonds are being issued by means of a book entry system with no physical distribution of bond certificates to be made except as provided in the Indenture. One Bond certificate with respect to each date on which the Bonds are stated to mature, registered in the nominee name of the Securities Depository, is being issued and required to be deposited with the Securities Depository and immobilized in its custody or in the custody of its agent. The book entry system will evidence positions held in the Bonds by the Securities Depository's Participants, beneficial ownership of the Bonds in Authorized Denominations being evidenced in the records of such Participants. Transfers of ownership shall be effected on the records of the Securities Depository and its Participants pursuant to rules and procedures established by the Securities Depository and its Participants. The Issuer and the Trustee will recognize the Securities Depository nominee, while the registered owner of this bond, as the owner of this bond for all purposes, including (i) payments of principal of, Sinking Fund Installments for, if any, redemption premium, if any, and interest on, this bond, (ii) notices, and (iii) voting. Transfer of principal, Sinking Fund Installments, interest and any redemption premium payments to Participants of the Securities Depository, and transfer of principal, Sinking Fund Installments, interest and any redemption premium payments to Beneficial Owners of the Bonds by Participants of the Securities Depository will be the responsibility of such Participants and other nominees of such Beneficial Owners. The Issuer and the Trustee will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its Participants or persons acting through such Participants. While the Securities Depository nominee is the owner of this bond, notwithstanding the provision hereinabove contained, payments of principal of, Sinking Fund Installments, if any, redemption premium, if any, and interest on this bond shall be made in accordance with existing arrangements among the Issuer, the Trustee and the Securities Depository.

Acceleration of Bonds. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds and Additional Bonds issued under the Indenture and then Outstanding may be declared and may become due and payable before the stated maturities thereof, together with accrued interest thereon.

Limitation on Bondholder Enforcement Rights. The holder of this bond shall have no right to enforce the provisions of the Indenture, to institute action to enforce the provisions and covenants thereof or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

Special Obligation of the Issuer. This bond and the issue of which it forms a part are special limited revenue obligations of the Issuer, payable by the Issuer solely out of the loan payments, revenues or other receipts, funds or moneys of the Issuer pledged under the Indenture and from any amounts otherwise available under the Indenture for the payment of the Bonds.

Estoppel Clause. It is hereby certified, recited and declared that all conditions, acts and things required by law and the Indenture to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed, and that the issuance of this bond and the issue of which it forms a part are within every debt and other limit prescribed by the laws of the State of New York.

No Personal Liability. Neither the members, directors, officers or agents of the Issuer nor any person executing this bond shall be liable personally or be subject to any personal liability or accountability by reason of the issuance hereof.

Authentication by Trustee. This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been signed by the Trustee.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, Build NYC Resource Corporation has caused this bond to be executed in its name by the manual or facsimile signature of its Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel and its official seal or a facsimile thereof to be hereunto impressed or imprinted hereon and attested by the manual or facsimile signature of its Secretary, Assistant Secretary, Executive Director, Deputy Executive Director or General Counsel, all as of the Bond Date indicated above.

BUILD NYC RESOURCE CORPORATION

By:_____
Authorized Signatory

(SEAL)

ATTEST:

_____
Authorized Signatory

CERTIFICATE OF AUTHENTICATION

This bond is one of the Series 2018A Bonds of the issue described in the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON,
AS TRUSTEE

By:_____
Authorized Signatory

Date of Authentication: September 6, 2018

(FORM OF ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

(Please print or typewrite name, address and taxpayer identification number of transferee)

the within bond and does hereby irrevocably constitute and appoint _____ Attorney to transfer such bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

_____

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatever.

SIGNATURE GUARANTEED
MEDALLION GUARANTEED

_____

Authorized Signature
(Signature Guarantee Program Name)

[Signature Guarantee by (must be by a member of the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15)]

EXHIBIT A

PRINCIPAL LOG

Purchase Amount	Purchase Date	Payment Amount	Payment Date	Outstanding Principal	Trustee Initials

[End of Form of Series 2018A Bonds

[END OF FORM OF SERIES 2018A BOND]

EXHIBIT C-2

FORM OF FULLY REGISTERED SERIES 2018B BOND

THIS BOND SHALL NEVER CONSTITUTE A DEBT OR INDEBTEDNESS OF THE STATE OF NEW YORK OR OF THE CITY OF NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR THE CITY OF NEW YORK SHALL BE LIABLE HEREON, NOR SHALL THIS BOND BE PAYABLE OUT OF ANY FUNDS OF THE BUILD NYC RESOURCE CORPORATION OTHER THAN THOSE PLEDGED THEREFOR

THIS BOND MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY TO A PERSON CONSTITUTING A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933, AS AMENDED) OR AN "ACCREDITED INVESTOR" (AS DEFINED IN REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED)

BUILD NYC RESOURCE CORPORATION
TAXABLE REVENUE BOND, SERIES 2018B
(FRIENDS OF HEBREW PUBLIC BORROWER, LLC PROJECT)

Bond Date:	September 6, 2018
Maturity Date:	June 15, 2027
Registered Owner:	Cede & Co.
Principal Amount:	$1,980,000
Interest Rate:	7.750%
Bond Number:	BR-__
CUSIP:	12008E NT9

Promise to Pay. Build NYC Resource Corporation, a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State of New York at the direction of the Mayor of The City of New York (herein called the "Issuer"), for value received, hereby promises to pay as hereinafter provided, solely from the loan payments, revenues and receipts as provided in the Indenture of Trust hereinafter referred to, to the Registered Owner identified above or registered assigns, upon presentation and surrender hereof, on the Maturity Date set forth above, the Principal Amount set forth above, and in like manner to pay interest at the Interest Rate set forth above on the unpaid principal balance hereof from the Bond Date hereof until the Issuer's obligation with respect to the payment of such Principal Amount shall be discharged. Payment of interest shall be made initially on December 1, 2018 and thereafter on June 15 and December 15 in each year (or, if such day is not a Business Day, the immediately

succeeding Business Day). Such interest shall be computed on the basis of a 360-day year of twelve 30-day months. In no event shall the interest rate payable hereon exceed the maximum permitted by or enforceable under, applicable law. Payment shall be made in any coin or currency of the United States of America which, on the respective dates of payment, is legal tender for the payment of public and private debts.

This bond shall bear interest from the Bond Date indicated above, if authenticated prior to the first Interest Payment Date. If authenticated on or after the first Interest Payment Date, in exchange for or upon the registration of transfer of Bonds (as defined below), this bond shall bear interest from and including the Interest Payment Date next preceding the date of the authentication hereof, unless the date of such authentication shall be an Interest Payment Date to which interest hereon has been paid in full or duly provided for, in which case, this bond shall bear interest from and including such Interest Payment Date.

Method of Currency. The principal of, Sinking Fund Installments for, Redemption Price or Purchase Price, if applicable, and interest on the Bonds shall be payable in any coin or currency of the United States of America that on the respective dates of payment thereof is legal tender for the payment of public and private debts.

Payments. The principal of, Sinking Fund Installments for, and the Redemption Price, if applicable, on all Bonds shall be payable by check or draft or wire transfer of immediately available funds at maturity or upon earlier redemption to the Persons in whose names such Bonds are registered on the bond registration books maintained by the Trustee as Bond Registrar at the maturity or redemption date thereof, provided, however, that the payment in full of any Bond either at final maturity or upon redemption in whole shall only be payable upon the presentation and surrender of such Bonds at the designated corporate trust office of The Bank of New York Mellon in New York, New York, as trustee and paying agent (the "Paying Agent"), or at the corporate trust office of any successor Paying Agent.

The interest payable on each Bond on any Interest Payment Date shall be paid by the Trustee to the registered owner of such Bond as shown on the bond registration books of the Trustee as Bond Registrar at the close of business on the Record Date for such interest, (1) by check or draft mailed to such registered owner at his address as it appears on the bond registration books or at such other address as is furnished to the Trustee in writing by such owner, or (2) if such Bonds are held by a Securities Depository or, at the written request addressed to the Trustee by any registered owner of Bonds in the aggregate principal amount of at least $1,000,000 that all such payments be made by wire transfer, by electronic transfer in immediately available funds to the bank for credit to the ABA routing number and account number filed with the Trustee no later than five (5) Business Days before an Interest Payment Date, but no later than a Record Date for any interest payment.

Interest on any Bond that is due and payable but not paid on the date due ("Defaulted Interest") shall cease to be payable to the owner of such Bond on the relevant Record Date and shall be payable to the owner in whose name such Bond is registered at the close of business on a special record date (the "Special Record Date") for the payment of such Defaulted Interest, which Special Record Date shall be fixed as provided in the Indenture.

Authorization and Purpose. This bond is one of an authorized issue of bonds designated as "Build NYC Resource Corporation Taxable Revenue Bonds, Series 2018B (Friends of Hebrew Public Borrower, LLC Project)" (hereinafter called the "Series 2018B Bonds") issued in the aggregate principal amount of $1,980,000. Contemporaneously with the issuance of the Series 2018B Bonds, this Issuer is also issuing its Revenue Bonds, Series 2018A (Friends of Hebrew Public Borrower, LLC Project)" (hereinafter called the "Series 2018A Bonds"; and, together with the Series 2018B Bonds, the "Bonds") in the aggregate principal amount of $34,030,000. The Bonds are being issued under and pursuant to and in full compliance with the Constitution and laws of the State of New York, particularly the Not-for-Profit Corporation Law of the State of New York, and under and pursuant to a resolution adopted by the members of the Issuer on June 12, 2018, authorizing the issuance of the Bonds and under and pursuant to an Indenture of Trust, dated as of September 1, 2018 (as the same may be amended or supplemented, the "Indenture"), made and entered into by and between the Issuer and The Bank of New York Mellon, as trustee (said bank and any successor thereto under the Indenture being referred to herein as the "Trustee"), for the purpose of financing a portion of the cost of (1) acquisition of an approximately 17,420 square foot parcel of land located at 166 Kings Highway, Brooklyn, New York 11223 (the "Land"); (2) demolition of the existing improvements located on the Land; (3) construction and furnishing and equipping of an approximately 34,570 square foot building comprised three above-ground stories for general classroom and administrative use and a cellar with mechanical equipment, together with related site improvements; and (4) the payment of capitalized interest and certain costs of the issuance of the Bonds (collectively, the "Project") on behalf of the Friends of Hebrew Public Borrower, LLC, a limited liability company organized and existing under the laws of the State of Delaware that is a disregarded entity for federal tax purposes (the "Institution"). In order to finance a portion of the costs of the Project, the Issuer has made a loan to the Institution in the original principal amount of the Bonds from the proceeds of the Bonds pursuant to a certain Loan Agreement, dated as of September 1, 2018, between the Issuer and the Institution (as the same may be amended or supplemented, the "Loan Agreement"), and the Institution has executed certain Promissory Notes dated the date of original issuance of the Bonds in favor of the Issuer (as the same may be amended or supplemented, collectively, the "Promissory Note") to evidence the Institution's obligation under the Loan Agreement to repay such loan. Each of the Loan Agreement and the Promissory Note requires the payment by the Institution of loan payments sufficient to provide for the payment of the principal or Redemption Price, if any, of, Sinking Fund Installments for, and interest on the Bonds as the same become due. Copies of the Indenture, the Loan Agreement and the Promissory Note and the Mortgage, the Pledge and Security Agreement and Account Control Agreement hereinafter referred to are on file at the designated corporate trust office of the Trustee in New York, New York, and reference is made to such documents for the provisions relating, among other things, to the terms and security of the Bonds, the charging and collection of loan payments, the custody and application of the proceeds of the Bonds, the rights and remedies of the holders of the Bonds, and the rights, duties and obligations of the Issuer, the Institution and the Trustee.

Pledge and Security. Pursuant to the Indenture, the Issuer has assigned to the Trustee all of its right, title and interest in and to the Promissory Note and substantially all of its right, title and interest in and to the Loan Agreement, including all rights to receive loan payments sufficient to pay the principal or Redemption Price, if any, of, Sinking Fund Installments for, and interest and all other amounts due on the Bonds as the same become due, to be made by the Institution pursuant to the Loan Agreement and the Promissory Note. The Bonds are also secured

by mortgage liens on and security interests in the Institution's fee interests in the Facility pursuant to a Mortgage and Security Agreement (Acquisition Loan), the Mortgage and Security Agreement (Building Loan) and a Mortgage and Security Agreement (Indirect Loan), each dated as of September 1, 2018, and each from the Institution to the Issuer and the Trustee (as each of the same may hereafter be amended or supplemented, collectively the "Mortgage"). Pursuant to an Assignment of Mortgage (as defined in the Indenture), the Issuer has assigned to the Trustee all of the Issuer's right, title and interest in and to the Mortgage. Pursuant to an Assignment of Mortgage (as defined in the Indenture), the Issuer has assigned to the Trustee all of the Issuer's right, title and interest in and to the Mortgage. Pursuant to the terms of the Lease Agreement (as defined in the Indenture), the Institution has directed the School to make the School's payments of Rent (as defined in the Lease Agreement) directly to Institution's bank account that is subject to the Account Control Agreement, dated as of September 6, 2018 by and among the Trustee, the Institution and The Bank of New York Mellon as depository bank (the "Account Control Agreement"). Pursuant to the terms of an Account Control Agreement, the Institution will grant a security interest in the Institution's operating account to the Trustee and also authorize the Trustee to transfer the amounts required under the Indenture and the Loan Agreement to the Revenue Fund. The Bonds are further secured by a lien and security interest in the Pledged Collateral pursuant to, and as defined in, a certain Pledge and Security Agreement, dated as September 1, 2018 (as the same may hereafter be amended or supplemented, the "Pledge and Security Agreement"), from the Institution to the Trustee.

THE BONDS ARE SPECIAL LIMITED REVENUE OBLIGATIONS OF THE ISSUER AND SHALL NEVER CONSTITUTE A DEBT OF THE STATE OF NEW YORK OR OF THE CITY OF NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR THE CITY OF NEW YORK SHALL BE LIABLE THEREON, NOR SHALL THE BONDS BE PAYABLE OUT OF ANY FUNDS OF THE ISSUER OTHER THAN THOSE PLEDGED THEREFOR.

Reference is hereby made to the Indenture for the definition of any capitalized word or term used but not defined herein and for a description of the property pledged, assigned and otherwise available for the payment of the Bonds, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Issuer, the Trustee and the holders of the Bonds, and the terms upon which the Bonds are issued and secured.

Additional Bonds. As provided in the Indenture, upon satisfying certain conditions including in certain circumstances obtaining certain prescribed Bondholder Representative (or, if no Bondholder Representative exists, Bondholder) consents, a Series of Additional Bonds may be issued from time to time in one or more series for the purpose of financing the cost of completing the Project, providing funds in excess of Net Proceeds to repair, relocate, replace, rebuild or restore the Facility in the event of damage, destruction or taking by eminent domain, providing extensions, additions or improvements to the Facility, or refunding outstanding Bonds (to the extent that such Bonds shall be subject to earlier redemption). All bonds issued and to be issued under the Indenture are and will be equally secured by the pledge and covenants made therein, except as may otherwise be expressly provided in the Indenture.

General Interest Rate Limitation. Anything herein or in the Indenture to the contrary notwithstanding, the obligations of the Issuer hereunder and under the Indenture shall be

subject to the limitation that payments of interest or other amounts hereon shall not be required to the extent that receipt of any such payment by a holder of this bond would be contrary to the provisions of law applicable to such holder of this bond which would limit the maximum rate of interest which may be charged or collected by such holder of this bond.

Redemption of Bonds. (A) General Optional Redemption. The Series 2018B Bonds are not subject to optional redemption prior to maturity.

(B) Extraordinary Redemption. The Bonds are subject to redemption prior to maturity, at the option of the Issuer exercised at the direction of the Institution (which option shall be exercised only upon the giving of notice by the Institution of its intention to prepay loan payments due under the Loan Agreement), as a whole on any date, upon notice or waiver of notice as provided in the Indenture, at a Redemption Price of one hundred percent (100%) of the unpaid principal amount thereof plus accrued interest to the date of redemption, if one or more of the following events shall have occurred:

(i) The Facility shall have been damaged or destroyed to such extent that, as evidenced by a certificate of an Independent Engineer filed with the Issuer and the Trustee, (A) the Facility cannot be reasonably restored within a period of one year from the date of such damage or destruction to the condition thereof immediately preceding such damage or destruction, (B) the Institution is thereby prevented or likely to be prevented from carrying on its normal operation at the Facility for a period of one year from the date of such damage or destruction, or (C) the restoration cost of the Facility would exceed the total amount of all insurance proceeds, including any deductible amount, in respect of such damage or destruction; or

(v) Title to, or the temporary use of, all or substantially all of the Facility shall have been taken or condemned by a competent authority which taking or condemnation results, or is likely to result, in the Institution being thereby prevented or likely to be prevented from carrying on its normal operation at the Facility for a period of one year from the date of such taking or condemnation, as evidenced by a certificate of an Independent Engineer filed with the Issuer and the Trustee; or

(vi) As a result of changes in the Constitution of the United States of America or of the State of New York or of legislative or executive action of said State or any political subdivision thereof or of the United States of America or by final decree or judgment of any court after the contest thereof by the Institution, the Loan Agreement becomes void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed therein or unreasonable burdens or excessive liabilities are imposed upon the Institution by reason of the operation of the Facility.

If the Bonds are to be redeemed in whole as a result of the occurrence of any of the events described above, the Institution shall deliver to the Issuer and the Trustee a certificate of an Authorized Representative of the Institution stating that, as a result of the occurrence of the event giving rise to such redemption, the Institution has discontinued, or at the earliest practicable date will discontinue, its operation of the Facility for its intended purposes.

(C) Mandatory Sinking Fund Installment Redemption. The Series 2018B Bonds shall be subject to mandatory redemption by the Issuer prior to maturity, in part by lot, at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof, together with accrued interest to the date of redemption, from mandatory Sinking Fund Installments on the dates and in the principal amounts set forth below, provided that the amounts of such Sinking Fund Installments shall be reduced by the credits provided for in the Indenture:

Sinking Fund Installment Payment Date (June 15)	Sinking Fund Installment
2023	$435,000
2024	465,000
2025	505,000
2026	540,000
2027*	35,000

(*final maturity)

(D) Mandatory Redemption Upon Failure to Operate the Facility for the Approved Project Operations, Material Violation of Material Legal Requirements, False Representation or Failure to Maintain Liability Insurance. The Bonds are also subject to mandatory redemption prior to maturity, at the option of the Issuer, as a whole only, in the event (i) the Issuer shall determine that (w) the Institution is operating the Facility or any portion thereof, or is allowing the Facility or any portion thereof to be operated, not for the Approved Project Operations, (x) the Institution, any Principal of the Institution or any Person that directly or indirectly Controls, is Controlled by or is under common Control with the Institution has committed a material violation of a material Legal Requirement, (y) any Conduct Representation is false, misleading or incorrect in any material respect at any date, as if made on such date, or (z) a Required Disclosure Statement delivered to the Issuer under any Project Document is not acceptable to the Issuer acting in its sole discretion, or (ii) the Institution shall fail to obtain or maintain the liability insurance with respect to the Facility required under the Loan Agreement, and, in the case of clause (i) or (ii) above, the Institution shall fail to cure any such default or failure within the applicable time periods set forth in the Loan Agreement following the receipt by the Institution of written notice of such default or failure from the Issuer and a demand by the Issuer on the Institution to cure the same. Any such redemption shall be made upon notice or waiver of notice to the Bondholders as provided in the Indenture, at the Redemption Price of one hundred percent (100%) of the unpaid principal amount of the Bonds, together with interest accrued thereon to the date of redemption.

(E) Mandatory Taxability Redemption Upon the occurrence of a Determination of Taxability, the Bonds shall be redeemed prior to maturity on any date within forty-five (45) days following such Determination of Taxability, at a Redemption Price equal to one hundred and five percent (105%) of the principal amount thereof, together with interest to the date of redemption. The Bonds shall be redeemed in whole.

(F) Mandatory Redemption from Certain Other Amounts. The Bonds shall be redeemed at any time in whole or in part by lot prior to maturity in the event and to the extent:

(i) excess Bond proceeds shall remain after the completion of the Project (provided however, for the avoidance of doubt, excess Series 2018A Bond proceeds shall only be used to redeem Series 2018A Bonds and excess Series 2018B Bond proceeds shall only be used to redeem Series 2018B Bonds),

(ii) excess title insurance or property insurance proceeds or condemnation awards shall remain after the application thereof pursuant to the Loan Agreement and this Indenture,

(iii) excess proceeds shall remain after the release or substitution of Facility Realty or Facility Personalty, or

(iv) certain funds received by the Institution pursuant to any capital campaign which are earmarked for specific Project Costs shall remain with the Institution and shall not be required for the completion of the Project or related Project Costs,

in each case at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Bonds to be redeemed, together with interest accrued thereon to the date of redemption.

Redemption Procedures. If any of the Bonds are to be called for redemption, the Indenture requires a copy of the redemption notice to be mailed at least thirty (30) days prior to such redemption date to the registered owner of each Bond to be redeemed at the address shown on the registration books. All Bonds so called for redemption will cease to bear interest after the date fixed for redemption if funds for their redemption are on deposit at the place of payment at that time. If notice of redemption shall have been given as aforesaid, the Bonds called for redemption shall become due and payable on the redemption date, provided, however, that with respect to any optional redemption of the Bonds as provided in this bond, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, redemption premium, if any, and interest on such Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Issuer shall not be required to redeem such Bonds. In the event that such notice of optional redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. If a notice of optional redemption shall be unconditional, or if the conditions of a conditional notice of optional redemption shall have been satisfied, then upon presentation and surrender of Bonds so called for redemption at the place or places of payment, such Bonds shall be redeemed.

Amendment of Indenture. The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the holders of the Bonds at any time by the Issuer with the consent of the Bondholder Representative (or, if no Bondholder Representative exists, the holders of not less than

a majority in aggregate principal amount of the Bonds at the time Outstanding thereunder). Any such consent shall be conclusive and binding upon each such holder and upon all future holders of each Bond and of any such Bond issued upon the transfer thereof, whether or not notation of such consent is made thereon.

Denominations. The Bonds are issuable in the form of fully registered bonds in the denomination of $100,000 or any integral multiple of $5,000 in excess thereof, provided however, that if the Bonds are rated investment grade by a Rating Agency, then, upon the Trustee receiving written notice of the occurrence of such event, the Authorized Denominations with respect to the Bonds shall be $5,000 or any integral multiple thereof.

Exchange of Bonds. The holder of this bond may surrender the same, at the designated corporate trust office of the Trustee, in exchange for an equal aggregate principal amount of Bonds of any of the Authorized Denominations of the same maturity and maturities and interest rate as this bond or the Bonds so surrendered, subject to the conditions and upon payment of the charges provided in the Indenture. However, the Trustee will not be required to (i) transfer or exchange any Bonds during the period between a Record Date and the following Interest Payment Date or during the period of fifteen (15) days next preceding any day for the selection of Bonds to be redeemed, or (ii) transfer or exchange any Bonds selected, called or being called for redemption in whole or in part.

Transfer of Bonds. This bond is transferable, as provided in the Indenture, only upon the books of the Issuer kept for that purpose at the designated corporate trust office of the Trustee by the registered owner hereof in person, or by his duly authorized attorney-in-fact, upon surrender of this bond (together with a written instrument of transfer in the form appearing on this bond duly executed by the registered owner or his duly authorized attorney-in-fact with a guaranty of the signature thereon by a member of the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15, and thereupon a new fully registered Bond in the same aggregate principal amount and maturity and interest rate shall be issued to the transferee in exchange therefor as provided in the Indenture and upon payment of the charges therein prescribed. The Issuer, the Bond Registrar, the Trustee and any Paying Agent may deem and treat the Person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price hereof, the Sinking Fund Installments therefor, and interest due hereon and for all other purposes whatsoever, and all payments made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer, the Institution, the Bond Registrar, the Trustee nor any Paying Agent shall be affected by any notice to the contrary.

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Issuer or the Trustee may make a charge sufficient to reimburse it for any expenses and any tax, fee or other governmental charge required to be paid in connection therewith; any such expenses shall be paid by the Institution but any such tax, fee or other governmental charge shall be paid by the Holder requesting such transfer or exchange.

Book Entry System. The Bonds are being issued by means of a book entry system with no physical distribution of bond certificates to be made except as provided in the Indenture. One Bond certificate with respect to each date on which the Bonds are stated to mature, registered in the nominee name of the Securities Depository, is being issued and required to be deposited with the Securities Depository and immobilized in its custody or in the custody of its agent. The book entry system will evidence positions held in the Bonds by the Securities Depository's Participants, beneficial ownership of the Bonds in Authorized Denominations being evidenced in the records of such Participants. Transfers of ownership shall be effected on the records of the Securities Depository and its Participants pursuant to rules and procedures established by the Securities Depository and its Participants. The Issuer and the Trustee will recognize the Securities Depository nominee, while the registered owner of this bond, as the owner of this bond for all purposes, including (i) payments of principal of, Sinking Fund Installments for, if any, redemption premium, if any, and interest on, this bond, (ii) notices, and (iii) voting. Transfer of principal, Sinking Fund Installments, interest and any redemption premium payments to Participants of the Securities Depository, and transfer of principal, Sinking Fund Installments, interest and any redemption premium payments to Beneficial Owners of the Bonds by Participants of the Securities Depository will be the responsibility of such Participants and other nominees of such Beneficial Owners. The Issuer and the Trustee will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its Participants or persons acting through such Participants. While the Securities Depository nominee is the owner of this bond, notwithstanding the provision hereinabove contained, payments of principal of, Sinking Fund Installments, if any, redemption premium, if any, and interest on this bond shall be made in accordance with existing arrangements among the Issuer, the Trustee and the Securities Depository.

Acceleration of Bonds. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds and Additional Bonds issued under the Indenture and then Outstanding may be declared and may become due and payable before the stated maturities thereof, together with accrued interest thereon.

Limitation on Bondholder Enforcement Rights. The holder of this bond shall have no right to enforce the provisions of the Indenture, to institute action to enforce the provisions and covenants thereof or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

Special Obligation of the Issuer. This bond and the issue of which it forms a part are special limited revenue obligations of the Issuer, payable by the Issuer solely out of the loan payments, revenues or other receipts, funds or moneys of the Issuer pledged under the Indenture and from any amounts otherwise available under the Indenture for the payment of the Bonds.

Estoppel Clause. It is hereby certified, recited and declared that all conditions, acts and things required by law and the Indenture to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed, and that the issuance of this bond and the issue of which it forms a part are within every debt and other limit prescribed by the laws of the State of New York.

No Personal Liability. Neither the members, directors, officers or agents of the Issuer nor any person executing this bond shall be liable personally or be subject to any personal liability or accountability by reason of the issuance hereof.

Authentication by Trustee. This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been signed by the Trustee.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, Build NYC Resource Corporation has caused this bond to be executed in its name by the manual or facsimile signature of its Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel and its official seal or a facsimile thereof to be hereunto impressed or imprinted hereon and attested by the manual or facsimile signature of its Secretary, Assistant Secretary, Executive Director, Deputy Executive Director or General Counsel, all as of the Bond Date indicated above.

BUILD NYC RESOURCE CORPORATION

By:_____
Authorized Signatory

(SEAL)

ATTEST:

_____
Authorized Signatory

CERTIFICATE OF AUTHENTICATION

This bond is one of the Series 2018B Bonds of the issue described in the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON,
AS TRUSTEE

By:_____
Authorized Signatory

Date of Authentication: September 6, 2018

(FORM OF ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

(Please print or typewrite name, address and taxpayer identification number of transferee)

the within bond and does hereby irrevocably constitute and appoint _____ Attorney to transfer such bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

_____

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatever.

SIGNATURE GUARANTEED
MEDALLION GUARANTEED

_____

Authorized Signature
(Signature Guarantee Program Name)

[Signature Guarantee by (must be by a member of the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15)]

[END OF FORM OF SERIES 2018B BOND]

EXHIBIT D

Form of Requisition from the Project Fund

REQUISITION NO.

TO: The Bank of New York Mellon, as Trustee

FROM: Friends of Hebrew Public Borrower, LLC

Ladies and Gentlemen:

You are requested to draw from the Accounts of the Project Fund, established by Section 5.01 of the Indenture of Trust, dated as of September 1, 2018 (the "Indenture"), between Build NYC Resource Corporation (the "Issuer") and yourself, a check or checks in the amounts, payable to the order of those persons and for the purpose of paying those costs set forth on Schedule A attached hereto. All capitalized terms used in this Requisition not otherwise defined herein shall have the meanings given such terms by the Indenture or by the Loan Agreement referred to in the Indenture.

I hereby certify that

(i) I am an Authorized Representative of the Friends of Hebrew Public Borrower, LLC (the "Institution");

(vii) the number of this Requisition is ____;

(viii) the items of cost set forth on Schedule A attached hereto are correct and proper under Section 5.02 of the Indenture and under Section 3.2 of the Loan Agreement and each such item has been properly paid or incurred as an item of Project Cost;

(ix) none of the items for which this Requisition is made has formed the basis for any disbursement heretofore made from the Project Fund;

(x) the payees and amounts stated in Schedule A attached hereto are true and correct and each item of cost so stated is due and owing;

(xi) each such item stated in Schedule A attached hereto is a proper charge against the Project Fund;

(xii) each such item in Schedule A attached hereto represents the value of work actually furnished, or labor or services actually rendered and no item relates to materials, that are not incorporated into the improvement or deposits toward same;

(xiii) each item of cost set forth in Schedule A attached hereto is consistent in all material respects with the Tax Regulatory Agreement;

(xiv) if the payment herein requested is a reimbursement to the Institution for costs or expenses of the Institution incurred by reason of work performed or supervised by officers or employees of the Institution or any Affiliate, such officers or employees were specifically employed for such purpose and the amount to be paid does not exceed the actual cost thereof to the Institution and such costs or expenses will be treated by the Institution on its books as a capital expenditure in conformity with generally accepted accounting principles applied on a consistent basis;

(xv) no portion of the proceeds of the Bond will be applied to reimburse the Institution for Project Costs paid more than sixty (60) days prior to the date of the Reimbursement Resolution for the Project, except for amounts which do not exceed twenty percent (20%) of the Project Costs financed with the proceeds of the Bonds which were applied to finance certain preliminary expenses with respect to the Project. Preliminary expenses, for purposes of this exception, include architectural, engineering, surveying, soil testing and similar costs incurred prior to the commencement of construction or rehabilitation of the Project, but do not include land acquisition, site preparation and similar costs incident to the commencement of construction or rehabilitation of the Project. No portion of the proceeds of the Bonds will be applied to reimburse the Institution for a cost (other than preliminary expenditures) paid more than eighteen (18) months prior to the date of this requisition or the date the Facility to which the cost relates was placed in service, whichever is later. In no event shall the proceeds of the Bonds be applied to reimburse the Institution for a Project Cost paid more than three (3) years prior to the date of issuance of the Bonds, unless such cost is attributable to a preliminary expenditure, as described above;

(xvi) no Determination of Taxability has occurred, and no Event of Default exists and is continuing under the Indenture or the Loan Agreement or any other Security Document nor any condition, event or act which, with notice or lapse of time or both, would constitute such an Event of Default;

(xvii) I have no knowledge of any vendor's lien, mechanic's lien or security interest which should be satisfied or discharged before the payment herein requested is made or which will not be discharged by such payment or, to the extent that any such costs shall be the subject of a bona fide dispute, for which such costs have not been appropriately bonded or for which a surety or security has not been posted which is at least equal to the amount of such costs;

(xviii) each item which payment under this requisition is to be made when added to all other payments previously made from the Project Fund, will not result in less than 95% of the proceeds of the Bonds (exclusive of costs of issuance of the Bonds or any reasonably required reserve) (including any earnings thereon) being used for the acquisition, construction, reconstruction or improvement of land or property that is subject to the allowance for depreciation provided in section 167 of the Code;

(xix) such item of cost for which payment is herein requested is chargeable to the capital account of the Facility for Federal income tax purposes, or would be so chargeable either with an election by the Institution or but for the election of the Institution to deduct the amount of such item; and

(xx) the representations and warranties made by the Institution in the Security Documents are correct on and as of the date of such disbursement as though made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date.

Attached to this Requisition is a schedule of or a copy of bills, invoices or other documents evidencing and supporting this Requisition.

Dated: _____

FRIENDS OF HEBREW PUBLIC BORROWER, LLC

By: _____
Authorized Representative

SCHEDULE A TO REQUISITION NO. ___

Account of the Project Fund	Amount	Payee (with address)	Purpose

Receipt is hereby acknowledged of a payment in the amount of $_____ in connection with the submission of the attached Requisition.

FRIENDS OF HEBREW PUBLIC BORROWER, LLC

By: _____
Name:
Title

Date: _____

EXHIBIT E

BONDHOLDER REPRESENTATIVE NOTICE

The Bank of New York Mellon
240 Greenwich Street, 7W
New York, New York 10286
Attention: Corporate Trust Department

Build NYC Resource Corporation
110 William Street
New York, New York 10038
Attention: General Counsel
(with a copy to the Executive Director)

Re: Build NYC Resource Corporation Revenue Bonds, Series 2018A (Friends of Hebrew Public Borrower, LLC Project) and Build NYC Resource Corporation Taxable Revenue Bonds, Series 2018B (Friends of Hebrew Public Borrower, LLC Project)

In accordance with Section 10.01(d) of the Indenture of Trust dated as of September 1, 2018 (the "Indenture"), between Build NYC Resource Corporation, as issuer, and The Bank of New York Mellon, as trustee, you are hereby notified that, effective [_____, 20__], Rosemawr Management LLC is no longer the Bondholder Representative as defined in and as contemplated in the Indenture.

Dated Date: _____

ROSEMAWR MANAGEMENT LLC,
as Bondholder Representative

By: _____
Name:
Title:

APPENDIX G

FORM OF LEASE

LEASE

FROM

FRIENDS OF HEBREW PUBLIC BORROWER, LLC, a Delaware limited liability company

LANDLORD

TO

HEBREW LANGUAGE ACADEMY CHARTER SCHOOL 2, A NEW YORK NOT-FOR-PROFIT EDUCATION CORPORATION

TENANT

PREMISES: 166 Kings Highway
Brooklyn, New York

DATED AS OF: August 29, 2018

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LEASE

THIS LEASE made as of this 29th day of August, 2018 between, FRIENDS OF HEBREW PUBLIC BORROWER, LLC ("Landlord"), located at 555 8th Avenue, Suite 1703, New York, New York 10018 and HEBREW LANGUAGE ACADEMY CHARTER SCHOOL 2, a New York not-for-profit education corporation ("Tenant" or the "School"), located at 1870 Stillwell Avenue, Brooklyn, New York 11223.

1. Premises. Landlord leases to Tenant the following described premises (the "Premises") on the terms and conditions set forth in this Lease and Tenant hereby hires and leases the Premises from Landlord on the terms and conditions set forth in this Lease:

All those portions of the lots and parcel of land commonly known as 166 Kings Highway, Brooklyn, New York (the "Land") and the building (the "Building") and other improvements located on the Land at any time. Together for certain purposes set forth herein, the Land, Building and Premises shall hereinafter be referred to as the "Property".

2. Effectiveness and Term. (a) **THIS LEASE SHALL BE CONTINGENT, AND ONLY BECOME EFFECTIVE, UPON THE CLOSING AND TRANSFER OF TITLE OF THE PREMISES TO LANDLORD** ("Effective Date").

(b) The term ("Term") of this Lease shall commence as of the Commencement Date. As used herein, the "Commencement Date" shall be the Effective Date. The Term shall continue through June 30, 2062. Landlord and Tenant shall execute a mutually acceptable instrument setting forth the Commencement Date; however, the failure to execute such instrument shall not serve to invalidate this Lease.

(c) Landlord anticipates delivering the Premises to Tenant with Delivery Conditions (as defined herein) met between July 1 and July 31, 2020 (the "Anticipated Delivery Date"). By January 1, 2020, Landlord shall notify the Tenant if it the Anticipated Delivery Date is no longer feasible so that Tenant can make alternative arrangements to ensure that it has a facility for its students for the 2020-21 school year. If the Premises cannot be delivered to the Tenant by the Anticipated Delivery Date, Tenant shall not be obligated to take possession of the Premises until July 1, 2021 (the "Outside Delivery Date"). The actual date on which Tenant takes possession of the Premises whether on the Anticipated Delivery Date or the Outside Delivery Date shall hereinafter be referred to as the "Actual Delivery Date".

3. Rent and Operating Costs. During the Term of this Lease, Tenant shall make the following payments per annum:

(a) Rent. Tenant's obligation to pay fixed annual rent (the "Rent") shall commence on the Actual Delivery Date, and be paid in such amounts and on such dates as set forth herein. In the event Landlord delivers the Premises on the Anticipated Delivery Date, Tenant's obligation to pay Rent shall commence on such delivery date in July 2020, but with the first payment of Rent due on August 1, 2020. Otherwise, Tenant shall begin to pay Rent on the Actual Delivery Date, and thereafter in advance on the first day (or if such day is not a business day), on the next succeeding

business day) of each August, September, November, January, March and May thereafter, during the Term in such amounts as set forth on **Schedule 1** attached to and made a part of this Lease.

(b) Operating Costs. Landlord shall be responsible for all costs incurred by Landlord in complying with all of Landlord's insurance obligations, including but not limited to the payment of all insurance premiums. Landlord, in consultation with Tenant to confirm Tenant's needs shall be responsible for contracting directly for and paying all costs and expenses associated with all utilities including, without limitation, charges for water, gas, oil, sanitary and storm sewer, electricity, steam, telephone service, trash collection, internet access, cable television or satellite service, and all other utilities that may be charged against the Premises during the Term, and all other costs and expenses involved in the care, management and use thereof, and Landlord shall contract in its own name with the providers providing the foregoing services to the Premises.

(c) Real Estate Taxes.

(1) Obligation to Pay Real Estate Taxes. To the extent Real Estate Taxes (as defined herein) may be become due and payable during the Term, Landlord shall pay one hundred percent (100%) of any such Real Estate Taxes.

(2) Real Estate Taxes Defined. The term "Real Estate Taxes" shall mean all real estate taxes and assessments, government levies, municipal taxes, county taxes and assessments (whether general or special, ordinary or extraordinary, unforeseen or foreseen) and gross receipts and rental taxes incurred in the use, occupancy, ownership, operation, leasing or possession of the Premises, which are or may be assessed, levied or imposed.

(3) Right to Seek Exemption. If the Premises are (or during the Term become) confirmed to be eligible for exemption or abatement from Real Estate Taxes, the Landlord and Tenant shall cooperate to apply for and obtain any exemption from Real Estate Taxes for which the Premises may qualify. As owner, Landlord acknowledges that any application for exemption may be required to be submitted by the owner of the Premises and, as such, agrees to use commercially reasonable efforts to file an application for exemption, at Landlord's cost and expense. In connection with such efforts, Tenant shall deliver any documents and other information then currently within Tenant's possession or under its control, prepare and execute such others documents, and generally take such further reasonable measures as may be required to enable or obtain such exemption.

(4) Right to Contest. Landlord shall have the right, in Tenant or Landlord's name, or both, but at its own cost and expense to contest the validity of any taxes or assessments, by appropriate proceedings timely instituted. Tenant shall, upon request of Landlord, cooperate fully with Landlord in any such proceedings.

(5) Personal Property Taxes. Tenant shall be liable for and shall pay, at least ten (10) Business Days before delinquency, all taxes levied against Tenant's equipment, furniture, fixtures and any other personal property located in or about the Premises.

4. Manner of Payment. Tenant shall pay all Rent due under this Lease by wire transfer directly to Account No. [redacted] of the Landlord, held at The Bank of New York Mellon (routing number: [redacted]; account name: "[redacted]"). The obligation

of Tenant to pay the Rent and required under this Section and other provisions hereof during the Term shall be absolute and unconditional, and payment of the Rent shall not be abated through accident or unforeseen circumstances, except as otherwise set forth herein. Notwithstanding any dispute between Tenant, Landlord, any contractor or subcontractor retained with respect to the Premises, or any other party, Tenant shall, during the Term, make all payments of Rent when due and shall not withhold any Rent pending final resolution of such dispute, nor shall Tenant assert any right of set-off or counter-claim against its obligation to make such payments required hereunder except such compulsory claims or counter-claims that must be asserted by law; provided, however, that the making of such payments shall not constitute a waiver by Tenant of any rights, claims or defenses which Tenant may assert. No action or inaction on the part of Landlord shall affect Tenant's obligation to pay Rent.

5. Permitted Use. Tenant shall use the Premises as its school facility serving such grades as authorized by the School's Charter along with such ancillary uses to serve students and families as are ordinarily and customarily associated with the operation of a school for children and consistent with applicable zoning regulations and the Premises' certificate of occupancy which, when the Premises are delivered on the Actual Delivery Date, shall permit the operation of a school for children (the "Permitted Use").

6. Compliance with Legal Requirements. Tenant shall comply with all legal requirements applicable to the Permitted Use and such legal requirements otherwise application to Tenant with respect to the Premises (the "Legal Requirements"). Landlord shall comply with all Legal Requirements applicable to the Landlord with respect to the Premises, including repairs not caused by Tenant's or Tenant's staff, students, parents, guest, invitees or licensees' negligence, recklessness or willful misconduct (for which Tenant, as more fully set forth herein, is responsible) or Permitted Alterations (as defined herein) performed by Tenant.

7. Environmental Compliance.

(i) Effective on the Actual Delivery Date, Tenant shall comply with all applicable Environmental Laws (as defined herein). Except for reasonable quantities of supplies used in the normal course of a school in compliance with all applicable Legal Requirements and Environmental Laws, Tenant shall not generate, store, manufacture, refine, transport, treat, dispose of, or otherwise permit to be present on or about the Premises, any Hazardous Substances (as defined herein).

(ii) If Tenant shall become aware of or receive notice or other communication concerning any actual, alleged, suspected or threatened violation of any Environmental Law or liability of Tenant for environmental damages in connection with the Premises or past or present activities of any person thereon, including, but not limited to, notice or other communication concerning any actual or threatened investigation, inquiry, lawsuit, claim, citation, directive, summons, proceeding, complaint, notice, order, writ or injunction relating to same, then Tenant shall promptly deliver to Landlord copies of any such notice or communication.

(iii) The Landlord and the Tenant acknowledge that PVE, LLC has prepared a voluntary environmental remediation plan with respect to the Worksite ("Remediation Plan"), implementation of which is part of the scope of work of Hollister Construction Services, LLC

("Hollister") under its Consensus Docs 410 Design Build Contract between the Landlord and Hollister. In connection with such Remediation Plan, both the Landlord and the Tenant (upon occupancy) covenant to take the necessary steps to ensure completion of such Remediation Plan and procure any necessary governmental approvals, including those of the New York City Mayor's Office of Environmental Remediation ("OER"), to confirm the successful implementation of such Remediation Plan. Both Landlord and Tenant acknowledge that the Remediation Plan and/or governmental approval of its implementation, including OER's approval, may require use limitations and maintenance obligations with respect to the Premises, and both Tenant and Landlord covenant and agree to comply with such use limitations or maintenance obligations.

(iv) **Definitions.** For the purposes of this Article 7 of this Lease, certain terms set forth above shall be defined as set forth herein:

(A) "Environmental Laws" shall be defined as: any present and future federal, state and local laws, statutes, ordinances, rules, regulations and the like, as well as common law, relating to protection of human health (as it relates to exposure to Hazardous Substances) or the environment, relating to Hazardous Substances and/or relating to liability for or costs of other actual or threatened danger to human health (as it relates to exposure to Hazardous Substances) or the environment. The term "Environmental Laws" includes, but is not limited to, the following statutes, as amended, any successor thereto, and any regulations promulgated pursuant thereto, and any state or local statutes, ordinances, rules, regulations and the like addressing similar issues: the Comprehensive Environmental Response, Compensation and Liability Act; the Emergency Planning and Community Right-to-Know Act; the Hazardous Materials Transportation Act; the Resource Conservation and Recovery Act (including, but not limited to, Subtitle I relating to underground storage tanks); the Solid Waste Disposal Act; the Clean Water Act; the Clean Air Act; the Toxic Substances Control Act; the Safe Drinking Water Act; the Occupational Safety and Health Act (as it relates to exposure to Hazardous Substances); the Federal Water Pollution Control Act; the Federal Insecticide, Fungicide and Rodenticide Act; the Endangered Species Act; the National Environmental Policy Act; the River and Harbors Appropriation Act; and those relating to Lead Based Paint. The term "Environmental Laws" also includes, but is not limited to, any present and future federal, state and local laws, statutes, ordinances, rules, regulations and the like, as well as common law, conditioning transfer of property upon a negative declaration or other approval of a Governmental Authority (as hereinafter defined) of the environmental condition of the Premises; requiring notification or disclosure of Releases (as hereinafter defined) of Hazardous Substances or other environmental condition of a property to any Governmental Authority or other Person (as hereinafter defined), whether or not in connection with any transfer of title to or interest in such property; imposing conditions or requirements in connection with permits or other authorization for lawful activity; relating to nuisance, trespass or other causes of action related to the Property; and relating to wrongful death, personal injury or property or other damage in connection with any physical condition or use of the Premises.

(B) "Hazardous Substances" shall be defined as any and all substances (whether solid, liquid or gas) defined, listed or otherwise classified as pollutants, hazardous wastes, hazardous substances, hazardous materials, extremely hazardous wastes or words of similar meaning or regulatory effect under any present or future Environmental Laws or that may have a negative impact on human health or the environment, including, but not limited to, petroleum and petroleum products, asbestos and asbestos-containing materials, polychlorinated biphenyls, lead,

radon, radioactive materials, flammables and explosives, Lead Based Paint (as hereinafter defined) and Toxic Mold (as hereinafter defined). Notwithstanding anything to the contrary contained herein and for the avoidance of doubt, the term "Hazardous Substances" will not include substances which otherwise would be included in such definition but which are of kinds and in amounts ordinarily and customarily used or stored in similar properties, including, without limitation substances used for the purposes of cleaning, maintenance, or operations, substances typically used in construction, and typical products used in properties like the Property, and which are otherwise in compliance with all Environmental Laws.

(C) "Governmental Authority" shall be defined as the United States government, New York State, New York City, or any political subdivision thereof, whether at the national, state, territorial, provincial, municipal or any other level, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of, or pertaining to, government and having or asserting jurisdiction over the Premises.

(D) "Releases" shall be defined as any release, deposit, discharge, emission, leaking, leaching, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing or other movement of Hazardous Substances.

(E) "Person" shall be defined as natural persons, corporations, limited liability companies, limited partnerships, general partnerships, limited liability partnerships, joint ventures, trusts, land trusts, business trusts, or other organizations, irrespective of whether they are legal entities, and governments and agencies and political subdivisions thereof.

(F) "Toxic Mold" shall be defined as fungi that reproduce through the release of spores or the splitting of cells or other means that may pose a risk to human health or the environment or negatively affect the value of the Premises, including, but not limited to, mold, mildew, fungi, fungal spores, fragments and metabolites such as mycotoxins and microbial volatile organic compounds.

(G) "Lead Based Paint" shall be defined as paint containing more lead than is permissible at the Premises under applicable law.

8. Repairs and Maintenance.

(a) Landlord shall seek and avail itself of all equipment (such as HVAC) and material warranties related to Landlord's Work (defined herein), and shall enforce all such warranties against suppliers, manufacturers, and dealers in order to cure any deficiencies which arise during such warranty period without expense to Tenant. During the Term, In addition to its obligations in Section 3(b), Landlord shall, at its sole expense, perform diligently, promptly and in a good and workmanlike manner (i) all maintenance, repairs and replacements to the structural components of the Building, including without limitation the roof, roofing system, exterior walls, bearing walls, support beams, foundations, columns, exterior doors and windows and lateral support to the Building; (ii) assure watertightness of the Building (including caulking of the flashings) and repairs and replacements to the roof, roofing system, curtain walls, windows, and skylights if required to assure watertightness; (iii) replace, when necessary, as determined by Landlord in Landlord's

reasonable discretion, the plumbing, heating, ventilation and air conditioning systems, electrical and mechanical lines and equipment associated therewith, including without limitation elevators (collectively the "Building Systems"), to maintain all in good working order to enable Tenant's uninterrupted operations of the School; and (iv) make all repairs and replacements necessitated by damage to the Building and the Premises except such repairs and replacements required as a result of the negligence or willful misconduct of Tenant, its agents, independent contractors, representatives or employees. Landlord shall take commercially reasonable efforts to enforce, for the benefit of Tenant, any applicable contractors', manufacturers', vendors', or other insurers' warranties or guaranties that cover maintenance and repairs to the non-structural elements of the Building so long as such non-structural elements are covered under such warranty or guaranty.

(b) Except as provided in Section 8(a) above, Landlord shall, throughout the term of this Lease and at its sole cost and expense, maintain the Premises and the Building including, but not limited to, the Building Systems, in a condition at least as good as the condition of the Premises and the Building on the Commencement Date. Except as provided in Section 8(a), Landlord agrees to make all repairs necessary to maintain such condition. On a day-to-day basis, Tenant shall, utilizing its maintenance staff or through a contract with a service provider, keep and maintain all exterior portions of the Premises including walkways, in a clean and orderly condition, free of accumulation of rubbish and shall keep and maintain the parking areas, driveways and walkways and keep same free of snow and ice. Landlord shall, at Landlord's cost and expense, engage one or more third-party service providers to keep and maintain shrubbery and landscaping and for large-scale removal of snow and ice

9. Landlord's Work. Landlord shall, at Landlord's sole cost and expense, construct the Premises in accordance with the plans and specifications referenced on Exhibit C attached hereto ("Landlord's Work") and incorporated by reference herein. Landlord's Work shall be completed by licensed contractors in a good and workmanlike manner and delivered to Tenant ready for occupancy on the Anticipated Delivery Date or the Outside Delivery Date (as permitted above), with at least a temporary certificate of occupancy, a complete Fire Department of New York Inspection and such Place of Assembly permits as required for certain spaces within the Premises (the "Delivery Conditions").

10. Insurance.

(a) Tenant shall maintain, at its expense, commencing on the Commencement Date and through the duration of the Term, such insurance policies in such amounts as set forth in Section 8.1(i) of the Loan Agreement dated as of September 1, 2018 by and between Build NYC Resource Corporation and Landlord and Section 3.15 and Annex B of the Continuing Covenants Agreement dated as of September 6, 2018 among the Landlord, Tenant and Rosemawr Management LLC, samples of which insurance certificates are appended as Schedule 2, naming The Bank of New York Mellon, Build NYC Resource Corporation, Rosemawr Management LLC and Landlord as additional insureds on a primary and non-contributory basis.

(b) Upon request therefor, Tenant shall furnish Landlord such parties designated in Section 10(a) herein with certificates of insurance for the coverages required under this Section 10.

(c) In the event Tenant shall fail to maintain the insurance coverage required by this Lease, Landlord, after ten (10) days written notice to Tenant unless cured within such ten (10) days, may contract for the required policies of insurance and pay the premiums on the same and Tenant agrees to reimburse the party paying such premiums to the extent of the amounts so advanced.

(d) Landlord shall maintain all insurance that it is required by its mortgagees and other parties to whom it is obligated in connection with any financing it has obtained or will obtain to acquire the Land, maintain the Land, Building and the Premises and complete Landlord's Work ("Landlord's Financing").

(e) Landlord and Tenant hereby release the other and their respective authorized representatives from any claims for injury to any person or damage to the Premises that are caused by or result from risks insured against under any all-risk or Fire insurance policies carried by either party. Landlord and Tenant shall each obtain, for each policy of insurance, provisions permitting waiver of any claim against the other party for loss or damage within the scope of the insurance and each of Landlord and Tenant, to the extent permitted, for itself and its insurer, waives all such insured claims against the other party. If such waiver or agreement shall not be, or shall cease to be, obtainable without additional charge or at all, the insured party shall so notify the other party promptly after notice thereof. If the other party shall agree in writing to pay the insurer's additional charge therefore, such waiver or agreement shall (if obtainable) be included in the policy.

(f) Tenant shall promptly provide to Landlord a copy of any cancellation notice received by Tenant.

11. Indemnity.

(a) Tenant shall defend, indemnify and save harmless Landlord, its affiliates, and their officers, and directors, and the Issuer against all claims, liabilities, losses, fines, penalties, damages, liens, judgments, penalties, loss of rents, costs and expenses (including reasonable attorneys' fees and other reasonable costs of litigation) because of injury, including death, to any person, or damage or loss of any kind to any property caused by any action or omission of Tenant occurring after the Actual Delivery Date, or any failure on the part of Tenant to perform its obligations under this Lease, except to the extent caused by the negligence or willful misconduct of Landlord, or its employees, contractors, agents or representatives.

(b) Landlord shall defend, indemnify and save harmless Tenant, its affiliates and, their officers, directors, employees, agents, representatives and contractors against all claims, liabilities, losses, fines, penalties, damages, liens, judgments, penalties, costs and expenses (including reasonable attorneys' fees and other reasonable costs of litigation) because of injury, including death, to any person, or damage or loss of any kind to any property caused by any action or omission of Landlord, or any failure on the part of Landlord, to perform its obligations under this Lease, except to the extent caused by the negligence or willful misconduct of Tenant, or its employees, students, families, contractors, agents, licensees, invitees or representatives.

12. Reserved

13. Alterations.

(a) Tenant may, in compliance with Legal Requirements and consistent with the Permitted Use and with the written consent of Landlord, with such consent not to be unreasonably withheld, conditioned or delayed, at Tenant's sole cost and expense, make alterations to the Premises ("Permitted Alterations"), and so long as such Permitted Alterations do not materially reduce the fair market value thereof.

(b) Tenant agrees that all Permitted Alterations shall comply with all Legal Requirements, will be constructed in a good and workmanlike manner, and that Tenant will carry all insurance required by this Lease covering the Permitted Alterations, and Tenant shall indemnify Landlord against liability for any and all mechanics' and other liens filed in connection with Permitted Alterations.

(c) Unless otherwise restricted by any document or agreement which governs Tenant's personal property, Tenant may remove Tenant's personal property and trade fixtures ("Tenant's Property") at any time during the term of the Lease. Tenant shall also be permitted to remove any Permitted Alterations to the Premises performed by Tenant, provided that Tenant repairs any damage to the Premises caused by such removal.

14. Assignment and Sublease. Tenant shall not assign this Lease or sublet the whole or any part of the Premises without the prior written consent of Landlord, which shall not be unreasonably withheld, conditioned or delayed.

15. Casualty and Condemnation. In the event of a Loss Event (defined as an event in which the whole or part of the Building shall be damaged or destroyed, or taken or condemned by a competent authority for any public use or purpose, or by agreement to which the Landlord and those authorized to exercise such right are parties, or if the temporary use of the Building shall be so taken by condemnation or agreement), except as may otherwise be required by Landlord's mortgagee or its representatives, all condemnation awards and insurance proceeds, in respect of property insurance proceeds that are less than a threshold amount), are to be paid over to Landlord's mortgagee's representative or disbursed to Landlord as permitted under the terms of Landlord's Financing.

16. Subordination and Non-Disturbance.

(a) Landlord subordinates Tenant's interest in this Lease to the mortgages it has granted in connection with Landlord's Financing, and, subject to the provisions of subparagraph (c) below, any mortgage hereafter be placed on the Premises; provided, however, any mortgagee, shall agree to recognize Tenant's rights under this Lease and that Tenant's peaceable possession of the Premises or its rights under this Lease will not be disturbed on account thereof.

(b) In the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage, upon any such foreclosure or sale Tenant agrees to recognize such beneficiary or purchaser as Landlord under this Lease, provided such entity

recognizes Tenant's rights under this Lease and Tenant's rights under this Lease continue unabated.

(c) Landlord shall obtain a Non-Disturbance and Attornment Agreement in a form reasonably satisfactory to Tenant and Landlord's lender and deliver same to Tenant within thirty (30) days from the date hereof, and from any future lender within thirty (30) days from obtaining financing from such lender; provided, however, that Landlord's failure to obtain a Non-Disturbance and Attornment Agreement shall not be a default under this Lease, nor vitiate Tenant's obligation to subordinate its right hereunder to the lien of any mortgage.

17. Landlord's Right of Entry. Landlord has the right to enter the Premises at any reasonable time upon prior written notice to Tenant, subject to student safety requirements and Tenant's security protocols (together, the "Safety Protocols"), or without notice in case of emergency, for the purpose of performing maintenance, repairs, and replacements to the Premises as are required under this Lease, provided it causes no material interference to Tenant's use and enjoyment of the Premises and except in the event of an emergency, not during times when student testing is taking place. During business hours and upon reasonable notice to Tenant, Landlord may, during the last six (6) months of the Term, show the Premises to prospective tenants and mortgagees. Landlord shall not interfere with or disrupt the normal operation of Tenant's school. Landlord, and any third parties entering the Premises at Landlord's invitation or request shall at all times strictly observe Tenant's Safety Protocols. Tenant shall have the right, in its sole discretion, to designate a representative to accompany Landlord, or any third parties, while they are on the Premises.

18. Parking Facilities. Tenant, its employees, agents, contractors, and visitors shall have the right to use the following parking facilities located on the Land, with all parking facilities on the Land provided at no additional cost to Tenant throughout the Term.

19. Signs. Tenant shall be entitled to have an outdoor sign identifying Tenant placed on the Premises, which sign shall be installed, at Landlord's sole cost and expense, as part of Landlord's Work, including, but not limited to the cost of obtaining any permits required to install such signage. Tenant may, at Tenant's sole cost and expense, and in compliance with Legal Requirements, erect and/or post such additional signage during the Term as tenant may desire and/or require. Upon the vacation of the Building by Tenant, all Tenants signs shall be removed by Tenant.

20. Access. Tenant shall have full and unimpaired access to the Building, Premises and the Land at all times, and if access to a public road is via private roads or streets, Tenant shall have the right to use such roads and streets for ingress and egress to the Building, the Premises and the Land.

21. Tenant's Defaults.

(a) The occurrence of any one or more of the following matters constitutes an "Event of Default" by Tenant under this Lease: (i) failure by Tenant to pay Rent within five (5) days of the due date, or (ii) failure by Tenant to observe or perform any other provision of this Lease, if such failure continues for thirty (30) days after receipt of written notice from Landlord to Tenant, except that if the default cannot be cured within the thirty (30) day period, it shall not be considered

an Event of Default if Tenant commences to cure such default within such thirty (30) day period and proceeds diligently thereafter to seek to effect such cure, or (iii) Tenant's Charter shall be revoked or not renewed by the Authorizer, or Tenant's Charter shall otherwise cease to be in full force and effect.

(b) If an Event of Default by Tenant occurs, then

(i) Landlord may terminate this Lease by giving to Tenant not less than ten (10) days' written notice, in which event the Term shall end on the date stated in such notice;

(ii) Landlord may re-enter the Premises by summary proceedings or by any other applicable proceeding and may repossess the Premises and dispossess Tenant and remove its property from the Premises;

(iii) Landlord, at its option, may re-let the whole or any part of the Premises from time to time, in the name of Landlord or otherwise, to such tenant(s), for such term(s) ending before, on or after the Expiration Date, at such rental(s) and upon such other conditions, which may include concessions and free rent periods, as Landlord may reasonably determine to be necessary. Landlord shall use reasonable efforts to re-let the Premises or parts thereof. Landlord may make such repairs, improvements, alterations, additions, decorations and other physical changes in and to the Premises as Landlord, in its reasonable discretion, considers advisable or necessary in connection with any such reletting or proposed reletting, without relieving Tenant of any liability under this Lease or otherwise affecting any such liability; and/or

(iv) Landlord may declare all Rent and other sums due and payable pursuant to the terms of this Lease to be, and the Rent and all such other amounts payable under the terms of this Lease shall thereupon become, immediately due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived.

(c) Should this Lease be terminated as provided in Paragraph (b)(i) of this Section 21, or by any other proceeding, or if Landlord shall re-enter the Premises, Landlord shall be entitled to recover, and Tenant shall pay, as and for agreed damages therefore, the then cost of:

(i) restoring the Premises to the same condition as that in which Tenant has agreed to surrender them to Landlord on the Expiration Date; and

(ii) completing in accordance with this Lease any improvements to the Premises or for repairing any part thereof that Tenant is required to perform in accordance with the terms of the Lease.

(d) If an Event of Default by Tenant or any person claiming through or under Tenant of any of the terms of this Lease should occur, Landlord shall be entitled to seek to enjoin such default and shall have the right to invoke any right allowed at law or in equity, by statute or otherwise, as if re-entry, summary proceedings or other specific remedies were not provided for

in this Lease, except that Landlord shall not have any right to place a lien on any of Tenant's Property and Landlord expressly waives and releases any right to obtain such lien.

(e) Nothing contained herein shall be construed as limiting or precluding the recovery by Landlord from Tenant of any sums or damages to which, in addition to the damages particularly provided above, Landlord may lawfully be entitled by reason of any default hereunder on the part of Tenant.

22. Landlord's Default; Rights and Remedies.

(a) The occurrence of the following constitutes an "Event of Default" by Landlord under this Lease:

failure by Landlord to observe or perform any covenant, agreement. condition or provision of this Lease, if such failure shall continue for thirty (30) days after receipt of written notice from Tenant to Landlord, except that if such default cannot be cured within such thirty (30) day period, it shall not be considered an Event of Default if Landlord commences to cure the default within the thirty (30) day period and proceeds diligently thereafter to seek to effect such cure, provided that in a situation requiring immediate response, Tenant need only give Landlord such notice as is practical under the circumstances.

(b) If an Event of Default by Landlord occurs, Tenant shall have all rights and remedies available at law or in equity against Landlord. In no event shall Tenant have the right to set off against the Rent due under this Lease.

(c) Upon such Event of Default by Landlord, Tenant will give notice by registered or certified mail to any beneficiary of a deed of trust or mortgage or ground or underlying lease covering the Premises whose address shall have been furnished to Tenant, and shall offer such beneficiary or mortgagee a reasonable opportunity to cure the default, including the time to obtain possession of the Premises by power of sale or a judicial foreclosure, if such should prove necessary to effect a cure.

23. Quiet Enjoyment. Landlord covenants that if and for so long as Tenant pays the Rent and performs the covenants and conditions hereof, Tenant shall peaceably and quietly have, hold and enjoy the Premises for the term.

24. Representation of Authority. Landlord and Tenant represent and warrant to each other that they have full right, power and authority to enter into this Lease without the consent or approval of any other entity or person. The signatories on behalf of Landlord and Tenant represent and warrant that each has full right, power and Issuer to act for and on behalf of Landlord and Tenant in entering into this Lease.

25. Reserved.

26. Brokers. Tenant and Landlord represent to the other that it has not dealt with any broker, finder or similar agent in connection with this Lease and agrees to defend, indemnify and save

harmless the other against all claims, liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees and other costs of defense) arising from the indemnifying party's breach of this representation.

27. Attorneys' Fees. In the event either party institutes legal proceedings against the other for breach of or interpretation of any of the terms, conditions or covenants of this Lease, the party against whom a judgment is entered shall pay all reasonable costs and expenses relative thereto, including reasonable attorneys' fees of the prevailing party.

28. Notices. Any notice by either party to the other shall be in writing and shall be deemed to be duly given only if delivered personally or sent by registered or certified mail return receipt requested, or overnight delivery service, to the following:

If to Landlord:

FRIENDS OF HEBREW PUBLIC BORROWER, LLC

555 8th Avenue, Suite 1703
New York, New York 10018
Attn: Jonathan Rosenberg

with a copy to:

Greenspoon Marder LLP
590 Madison Avenue, Suite 1800
New York, NY 10022
Attn: Carolyn Austin, Esq.

If to Tenant:

Prior to Actual Occupancy Date:

HEBREW LANGUAGE ACADEMY CHARTER SCHOOL 2
1870 Stillwell Avenue
Brooklyn, New York 11223New York, New York 10018
Attn: Head of School

After Actual Occupancy Date:

166 Kings Highway
Brooklyn, NY 11223
Attn: Head of School

with a copy to:

Cohen Schneider Law, P.C.
275 Madison Avenue, Suite 1905

New York, NY 10016
Attn: Cliff S. Schneider, Esq.

Notice shall be deemed to have been given on the date received, if delivered personally or by overnight delivery service, or, if mailed, three (3) business days after the date postmarked.

29. Operating Conditions Analysis. Given the length of the Term of this Lease and Landlord and Tenant's inability to predict with precision the rise of cost of operations, insurance and other expenses attendant to operating the Building and other unknown costs that may increase or occur from time to time that are beyond what has been reasonably estimated by Landlord and Tenant while negotiating the Rent, Landlord and Tenant agree to meet in good faith every two (2) years during the Term to assess market conditions and their effect on the costs related to the operating the Building, and shall work collaboratively and in good faith to mutually determine what changes to the Lease (including without limitation an increase in Rent (but for the avoidance of doubt, never a decrease in Rent below the amounts set forth in Schedule 1) or shift in obligations) may be required to maintain both Landlord and Tenant's ability to effectively operate and occupy the Building, respectively.

30. Entire Agreement. This Lease constitutes the entire agreement between the parties, there being no other terms, oral or written, except as herein expressed. No modification of this Lease shall be binding on the parties unless it is in writing and signed by both parties hereto.

31. Counterparts. This Lease may be executed in counterparts (with pdf, scanned and electronic signatures deemed acceptable), each of which shall constitute an original, but all of which, when together, shall constitute only one agreement.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have duly executed this Lease as of the day and year first above written.

Landlord:

FRIENDS OF HEBREW PUBLIC BORROWER, LLC

By: _____
Name:
Title:

Tenant:

HEBREW LANGUAGE ACADEMY CHARTER SCHOOL 2

By: _____
Name:
Title:

HLA2 Rent Schedule

Note: based on occupancy date of July 1.

Fiscal Year Ending:	Rent	Fiscal Year Ending:	Rent
6/30/21	$2,166,000	6/30/45	$3,707,873
6/30/22	$2,717,350	6/30/46	$3,741,109
6/30/23	$3,178,191	6/30/47	$3,775,342
6/30/24	$3,195,536	6/30/48	$3,810,603
6/30/25	$3,213,402	6/30/49	$3,846,921
6/30/26	$3,231,804	6/30/50	$3,884,328
6/30/27	$3,250,759	6/30/51	$3,922,858
6/30/28	$3,270,281	6/30/52	$3,962,544
6/30/29	$3,290,390	6/30/53	$4,003,420
6/30/30	$3,311,101	6/30/54	$4,045,523
6/30/31	$3,332,434	6/30/55	$4,088,888
6/30/32	$3,354,407	6/30/56	$4,133,555
6/30/33	$3,377,040	6/30/57	$4,179,562
6/30/34	$3,400,351	6/30/58	$4,226,949
6/30/35	$3,424,361	6/30/59	$4,275,757
6/30/36	$3,449,092	6/30/60	$4,326,030
6/30/37	$3,474,565	6/30/61	$4,377,811
6/30/38	$3,500,802	6/30/62	$4,431,145
6/30/39	$3,527,826		
6/30/40	$3,555,661		
6/30/41	$3,584,331		
6/30/42	$3,613,861		
6/30/43	$3,644,276		
6/30/44	$3,675,605		

SCHEDULE 2

INSURANCE

See Attached Insurance Certificates

EXHIBIT A

SCOPE OF LANDLORD'S WORK/PLANS AND SPECIFICATIONS

Section 1: General Requirements:

A. It is the responsibility of the Design-Builder to maintain the budget which may result in the following assumptions to be replaced with construction means and methods. Collaboration with the Developer is required. Owner consent will be as required by the contract.

B. Building as per the latest edition of the AIA General Conditions, except for billing requirements which must conform with Exhibit B.

C. The new building will be a new Non-Combustible three (3) stories with a partial Cellar as shown on the Schematic Documents. The use is a Public Charter School, with mechanical equipment/utility room facilities in the Cellar.

D. Provide temporary water, electricity, etc. necessary for the project. Clean up after the completion of the Work.

E. All work to be performed by qualified personnel and all work, as required to be permitted, shall be obtained by each discipline of work.

F. Provide containers and the removal of all waste, non-returned surplus materials except for attic stock, and rubbish from the site in accordance with the NYC 2014 BC.

G. Provide project sign of 4'x 8': List title of project/Tenant in 2/3 of the area, with remaining 1/3 to reflect Developer, Architect/Engineer, and Design/Builder.

Section 2: Site Work:

A. The subject property must addresses all items contained with the Environmental Assessments reports as well as the OER Remedial Work Action Plan. Contractor to coordinate all work with Owner's consultants: A. Quest – ACM Abatement prior to demolition, B. PVE – 4 - UST Removal, soil export (minimally 12' below existing grade and 15' below grade at UST location, vapor barrier and detection.

B. Within the site boundaries, remove the existing concrete paving, stoops, equipment

pads and the existing asphalt paving (at grade).

C. Removal of the existing fencing and concrete retaining walls within this property as required during the progress of the new construction. Provide proper shoring as noted in SOE drawings.

D. Provide protection of any existing trees to remain at the sidewalk area. Location of existing trees may be altered due to conditions of the new structure. Any work applying to trees at the sidewalk is subject to the authority of the New York City Parks and Recreation Department. Tree survey provided.

E. Type of soil to be determined upon soil borings. Material and thickness of fill and base course to be a minimum of 6 inches compacted free from organic material where applicable.

F. Storm and sanitary drainage connected to proper disposal to public sewers. Damage to street paving shall be repaired as directed by the local authority.

G. Sidewalk Pavement: New concrete sidewalk as per the New York City Department of Transportation. Existing curbs/street paving to be repaired/replaced as directed by the NY City Department of Transportation review of the Sidewalk Paving Plan.

H. Install approved type protective fencing securing the entire site perimeter during the progress of construction. Permit to be obtained from NYC DOT.

Section 3: Concrete:

A. New concrete foundation/footings for new exterior walls from Cellar floor to the First Floor.

B. The basement slab on grade shall be 5" thick, trowel finished, reinforced slab of minimum 3,000 psi strength. Interior concrete mix and installation shall be provided in accordance with the American Concrete Institute standards and Building Code.

C. Waterproof expansion joints where required.

D. Control joints to avoid uncontrolled cracking.

E. Finish surfaces and tolerances: Measured per ASTM E1155 to a Flatness of 25 and a Levelness of 20 with minimum local Flatness of 17 and Levelness of 15.

F. Install bentonite type expanding water stops at all foundation-slab joints.

G. Sub-slab preparation (from bottom up):

- 6" min. compacted crushed stone base adequate to break capillary action
- 20 mil polyolefin type waterproofing membrane, taped at joints
- 2" layer of closed cell rigid foam insulation throughout

Section 4: Masonry:

A. Cellar Level and rated stair towers to be of masonry. May utilize poured walls at cellar.

B. Stairs and stair platforms to receive concrete filled treads with a non-slip finish. – Can be light gauge if better fiscal application.

Section 5: Metals:

A. Structural steel framing, steel girders and columns per the drawing.

B. Miscellaneous Metals: Metal access doors, area gratings, ladders and louvers. Steel lintels as required. Miscellaneous metal trim.

C. Structural steel pan-type stairs with steel stringers, guardrails and closed risers. Handrails to be painted steel.

D. Steel framing and supports for mechanical and electrical equipment. Stationary steel ladder at elevator pits.

E. Loose bearing and leveling plates. Rough hardware. Related accessories, anchors, hangers, dowels and other miscellaneous steel and iron shapes.

Section 6: Carpentry:

A. Metal studs, minimum 22 gauge, 16 inches on center for interior gypsum wallboard partitions and miscellaneous furring, unless detailed at greater requirements..

B. Metal load bearing studs at exterior walls.

C. Rough carpentry; provide miscellaneous blocking and shims. Concealed wood blocking or metal strapping for support of Furnishings, Fixtures and Equipment.

D. Interior millwork: Laminated plywood

E. Wood blocking at Roof Areas and other wood exposed to weather conditions shall be pressure treated.

Section 7: Thermal and Moisture Protection: 20-year warranty

A. Building to comply with Climate Zone 4 requirements of the New York City Energy

Conservation Code.

B. Continuous Insulation at underside of Cellar concrete slab and first floor slab at grade. Insulation R Factor minimum R-10.

C. Roof Insulation: Rigid tapered stone wool roof insulation over the entire roof area sloped to drains. Minimum thickness of insulation to provide minimum R-Value 25 through-out the entire roof area.

D. Façade: Insulated pre-finished aluminum metal panels or through colored EIFS at light gauge metal studs.

E. Pre-manufactured, Kynar finished, aluminum coping throughout.

F. Under slab vapor barrier, high-density polyethylene sheet, 20 mil thick with active ventilation system piped to roof. – Active ventilation is assumed per ESA Phase 2.

G. Pneumatic application of cellulose insulation at all interior and exterior wall cavities. Cellulose insulation not to contain asbestos or formaldehyde. Thermal Performance: 3.8 R-Value/inch; Density: 3.2lb/ft3. Exterior walls above grade: Min. R-10.

H. Exterior walls to receive continuous 2" stone wool insulation at all non-glazed areas.

I. Roofing Membrane: High Albedo Single ply, 60 mil membrane thermoplastic roofing system entire roof areas. Color to be White.

J. Utility Areas to receive epoxy floor coating or other finish; no untreated concrete floors.

K. Sheet Metal Flashings: Aluminum.

L. Joint Sealers: Acrylic Urethane Indoor/Outdoor Sealant, Class 25, non-staining, non-bleeding, and capable of water immersion, non-sagging self-leveling type, and colors as selected from manufacturer's standards.

Section 8: Openings:

A. Steel Doors: Exterior Doors; 16 gauge hot dipped zinc coated steel with minimum 7 gauge hinge reinforcement. Exterior frames to be of 14 gauge hot dipped zinc coated steel. Exterior doors to have weather-stripping and weather-proof door bottoms and approved type thresholds. Interior Doors; 18 gauge cold rolled steel with minimum 7 gauge hinge reinforcement. Interior frames to be of 16 gauge.

B. Wood Doors: All doors to classrooms and as shown.

C. Access Doors: Single and double leafed doors with locking/latching devices.

D. Overhead Coiling Fire Shutter: Manually operated stainless steel overhead coiling counter shutter at the Service Line (Counter) at the Kitchen

R. Aluminum framed windows, entrances and storefronts. Window-wall, offset flush glazed, jambs and vertical mullions run through, head, sill and horizontal members attached by screw spline joinery; with thermal barrier. Classrooms to have one operable window. – Hollow Metal is acceptable to Owner. Casement Windows with integral blinds preferred by owner if budget permits. Minimum 2 windows per classroom; Owner prefers 10%.

H. Aluminum doors and frames with glass. Frame thermally broken, applied square glazing stops and drainage holes. Doors; 2 inches by 4 inches, nominal. ADA approved type accessible entrance doors. Front entrance door framing and other aluminum and glass doors shall be of Heavy Duty Type.

I. Glazing: Values to conform to the New York City Energy Conservation Code Requirements.

Insulating Laminated Glazing:

Glass Requirements:

1 Exterior Ply: ¼" Clear Heat Strengthened: ASTM C 1036 Type 1, Class 1 (Clear), Quality q3. ASTM C 1048 Condition C, Kind HS or FT where code requires safety glazing.

2 Interior Ply: ¼" Clear Heat Strengthened: ASTM C 1036 Type 1, Class 1 (Clear), Quality q3. ASTM C 1048 Condition C, Kind HS or FT where code requires safety glazing.

UNIT MAKEUP:

1. VE3-2M, Gray Substrate, insulating glass as manufactured by Viracon or equal.
   a. VE3-2M to be installed at the South Façade of the building; Floors Third to the Seventh Floor.

UNIT REQUIREMENTS

Visible light transmission of 68%
Exterior reflection of 11%
Winter night-time U-Value of .25 BTU/(hr*ft2*F)
Summer day-time U-Value of .21 BTU/(hr*ft2*F)
Shading coefficient of .3
OITC Rating: 35

2. VE1-2M, insulating glass unit as manufactured by Viracon or equal.
   a. VE1-2M to be installed at the North Façade of the building; Floors First to Seventh Floor.

UNIT REQUIREMENTS

Visible light transmission of 68%
Exterior reflection of 11%
Winter night-time U-Value of .29 BTU/(hr*ft2*F)
Summer day-time U-Value of .26 BTU/(hr*ft2*F)
Shading coefficient of .44
OITC Rating: 35

J. Finish Hardware: Hardware to be ADA approved type. Provide Lock and Latch sets (Lever Trim), Exit Devices, Closers, Magnetic Door Holders, Door Stops, Overhead Stops. All cylinders shall be master keyed as directed by the Owner. Install weather-stripping at all exterior doors. All other accessories to complete the intentions of the Work. All offices and classrooms to have single-movement locking ability from inside the space (i.e. thumb-turn for lockdown conditions).

Section 9: Finishes:

A. Corridors: High Impact and mold resistant wallboard on metal studding with taped and compound joints, painted with colors as selected. Provide Alternate for standard drywall and tile wainscot or Acrovyn panels 4'H a.f.f. at corridors. Classroom can be standard drywall.

B. Ceiling areas to be finished with Suspended Acoustical Lay-in Tiles and suspended gypsum wallboard. Tiles to be set in metal grid ceiling system, supported by black iron, and perimeter trim.

C. Toilet areas to epoxy paint water proof paint, ceramic tile wainscoting 4'-0" high above finished floor with cove base at wet walls.

D. Classrooms and Corridors to LVT flooring . Administrative areas to have carpet tile

E. Gymnasium to have Resilient Athletic Floor finish, on a gymnasium underlayment system, and accessories, Gymnasium floor markings for basketball court lines. Provide wall padding in Gymnasium. (See PatCraft national pricing)

F. Kitchen floor to be slip resistant quarry tile or epoxy or DOH approved non-skid resilient.

G. Stairs in stair enclosures to have rubber tile finish flooring.

H. Interior painting: Flat acrylic paint, low luster acrylic paint, semi-gloss acrylic paint, full gloss alkyd enamel and water based Epoxy Paint. Exterior painting: Flat acrylic, low luster acrylic, semi-gloss acrylic enamel and full-gloss alkyd enamel. Provide an Alternate for ceramic tile wainscoting in the Corridors, 4'-0" high above the finish floor.

Section 10: Specialties:

A. Signage: Exterior and interior at code required interior doors designating Room/Space. Letter and sign color as selected. Corners: square; Mounting: Flat Surface Mount;

B. Smartboards: To be provided by the Owner. Provide rough in stub ups

C. Toilet compartments of metal. Add alternate for (HDPE) High Density Polymer Resin, prefabricated, floor mounted with head rail. Nominal thickness of one (1) inch for doors, panels and pilasters. To comply with ADA requirements. Compartments to contain coat hooks, door pulls, latch keeper and door stop, surface mounted latch.

D. Toilet Accessories: Toilet Rooms to contain, electric hot-air hand dryers, mirrors, grab bars, lavatory piping insulation and protection, waste receptacle, toilet paper holders. Sanitary napkin and disposal at Adults/Staff Toilet Rooms only. All other accessories for complete accessories necessary for a toilet room. All dispensers by school vendor.

Section 11: Equipment:

A. Food Service Equipment (At Kitchen); Provide and install the following equipment, but not limited to: Sinks and type 2 exhaust hood only. Freezers, dishwasher, heated cabinets, milk cooler, pot sink, fire suppression system, convection oven, range hood, etc. are all by school vendor.

Section 12: Furnishings:

A. Plastic Laminate counter tops and back splashes located at the Teacher's lounge, work room, Art/Science, Nurse, Lobby and as shown in all areas.

Section 13: Special Construction:

A. Provide curtain type ceiling mounted gym divider.

Section 14: Conveying Equipment:

A. Provide Machine-Room Less Electric Traction Elevators: Elevators to be a five stop elevator at floor levels as indicated. Elevator to comply with ADA requirements. Capacity (lbs.): To Be Determined. Cab height: 8'-0". Rated speed (ft/min): To Be Determined. One of these two elevators to accommodate an ambulance stretcher 24 inches by 84 inches.

B. Wheel Chair Lift: Per Add alternate - Platform, provide an electric powered vertical stationary wheel chair lift. Lifting capacity: 750 lbs., Vertical Speed: seven feet per minute. Color as selected from manufacturer's selection. ADA approved type. Operation to be a secured operation of wheel chair lift.

Section 15: Mechanical work will include:

- Installation of five constant volume packaged air conditioning units that contain natural gas furnaces will provide central heat and air conditioning to all occupied areas. The system will include all code compliant supply and return air, diffusers, and outside air intakes. The system will be designed to meet the current requirements New York City Energy Conservation code.

- Packaged rooftop units will be controlled by 7-day programmable thermostats with remote temperature sensors. Thermostats will be located within administrative offices and will not be accessible by students.

- Supply and return ductwork will generally be concealed above ceiling and wall enclosures. Supply and return ductwork located within the Cafeteria/Gym will be exposed fabric ductwork.

- Bathrooms will be exhausted by rooftop exhaust fans that will operate continuously during occupied hours. Exhaust systems will be designed to meet current building code requirements.

- The warming kitchen will be provided with a Type II exhaust hood. The hood will be served by a rooftop up blast exhaust fan that will be controlled from a toggle switch on the hood. A rooftop natural gas fired constant volume unit will provide make up air for the kitchen exhaust.

- Mechanical systems shall be balanced to meet the heating and cooling requirements of each space.

Section 16: Electrical/Fire Alarm work will include:

- Installation of wiring required to power all mechanical and plumbing equipment/systems.

- Installation of a code compliant lighting package throughout occupied spaces.

- Installation of emergency lighting where required by code.

- Installation of electrical convenience outlets as per code and as required for tenant equipment
  in all spaces.

- Installation of wiring for fire alarm system as required by the code.

- Installation of a 150 KW Diesel fired emergency generator to serve the building life safety systems if required by code – Only if fire protection booster pump is required as Add Alternate.

Section 17: Plumbing work will include:

- Installation of toilet rooms including piping and fixtures as required by code for occupancy of the entire space. Fixtures shall be commercial grade fixtures toilets shall be floor mounted units with pressure assisted tanks.

- Installation of drinking fountains as required by code. Water fountains shall be stainless steel finish.

- Installation of at least one mop sink in each janitors closet.

- Installation of sinks in science room including piping and fixtures as required by code.

- Installation of kitchen fixtures in compliance with Health Department and all codes.

- Installation of electric water heaters to provide domestic hot water to plumbing fixtures on each floor. Installation of a natural gas fired water heater to provide domestic hot water to plumbing fixtures located in the kitchen.

- Installation of natural gas supply piping to all natural gas fired HVAC units and domestic water heaters. Installation of natural gas booster pump if required by HVAC units and domestic water heaters.

Section 18: Fire Protection work will include:

- Installation of an automatic wet sprinkler system. Sprinkler heads will be located as required by code.

- Installation of a Class I manual standpipe system with fire deportment valves located on each floor.

Installation of electric fire booster pump if insufficient water pressure is available from the city main.

APPENDIX H

FORM OF BOND COUNSEL OPINION

NIXON PEABODY

ATTORNEYS AT LAW

NIXONPEABODY.COM
@NIXONPEABODYLLP

Nixon Peabody LLP
Tower 46
55 West 46th Street
New York, NY 10022-7039
212-940-3000

September 6, 2018

Build NYC Resource Corporation
New York, New York

Re: Build NYC Resource Corporation
$34,030,000 Revenue Bonds, Series 2018A (Friends of Hebrew Public Borrower, LLC Project)

and

$1,980,000 Taxable Revenue Bonds, Series 2018B (Friends of Hebrew Public Borrower, LLC Project)

Ladies and Gentlemen:

We have acted as bond counsel to the Build NYC Resource Corporation (New York, New York) (the "**Issuer**"), in connection with the issuance on the date hereof by the Issuer of its Revenue Bonds, Series 2018A (Friends of Hebrew Public Borrower, LLC Project), in the aggregate principal amount of $34,030,000 (the "**Series 2018A Bonds**") and its Taxable Revenue Bonds, Series 2018B (Friends of Hebrew Public Borrower, LLC Project), in the aggregate principal amount of $1,980,000 (the "**Series 2018B Bonds**"; and, together with the Series 2018A Bonds, the "**Series 2018 Bonds**"). The Series 2018 Bonds are authorized to be issued pursuant to:

(i) Section 1411 of the New York Not-for-Profit Corporation Law (the "**Act**"),

(ii) the Bond Resolution duly adopted by the Issuer on June 12, 2018 (the "**Resolution**"), and

(iii) the Indenture of Trust, dated as of September 1, 2018 (the "**Indenture**"), by and between the Issuer and The Bank of New York Mellon, as trustee for the benefit of the Owners of the Series 2018 Bonds (the "**Trustee**").

The Series 2018 Bonds were issued to finance or refinance the costs of the completion of the acquisition, construction, renovation and equipping of a certain Facility (as defined in the Loan Agreement referenced below) (collectively, the "**Project**").

The Issuer will loan the proceeds of the Series 2018 Bonds to Friends of Hebrew Public Borrower, LLC (the "**Institution**"), a limited liability company organized and existing under the laws of the State of Delaware that is a disregarded entity for federal tax purposes, having as its sole member, National Center for Hebrew Language Charter School Excellence and Development, Inc. d/b/a Hebrew Public (the "**Organization**"), pursuant to the terms of a Loan Agreement, dated as of September 1, 2018 (the "**Loan Agreement**"), between the Issuer and the

Institution. The Institution has evidenced its obligation to make loan payments to the Issuer by the issuance and delivery of certain Promissory Notes, dated September 6, 2018 (collectively, the "**Note**"), each from the Institution to the Issuer and endorsed by the Issuer to the Trustee.

The Institution will lease the Facility (as defined in the Loan Agreement) to Hebrew Language Academy Charter School 2 (the "**School**"), pursuant to a Lease, dated as of August 29, 2018, and the School will operate the Facility.

The Institution has granted mortgage liens on and security interests in its fee interests in the Facility to the Issuer and the Trustee pursuant to a Mortgage and Security Agreement (Acquisition Loan), a Mortgage and Security Agreement (Building Loan) and a Mortgage and Security Agreement (Indirect Loan), each dated as of September 1, 2018 (collectively, the "**Mortgage**"), and the Issuer has assigned to the Trustee as security for the Series 2018 Bonds, for the benefit of the Owners of the Series 2018 Bonds, all of its rights under the Mortgage pursuant to an Assignment of Mortgage and Security Agreement (Acquisition Loan), an Assignment of Mortgage and Security Agreement (Building Loan) and an Assignment of Mortgage and Security Agreement (Indirect Loan), each dated as of even date herewith (collectively, the "**Assignment of Mortgage**"), each from the Issuer to the Trustee.

The Issuer, the Institution, the Organization and the School have entered into a Tax Regulatory Agreement, dated the date hereof (the "**Tax Regulatory Agreement**"), in which the Issuer, the Institution, the Organization and the School have made certain representations and covenants, established certain conditions and limitations and created certain expectations, relating to compliance with the requirements imposed by the Internal Revenue Code of 1986, as amended (the "**Code**"). D.A. Davidson & Co. (the "**Underwriter**") has agreed to purchase the Series 2018 Bonds pursuant to the terms of a Bond Purchase Agreement, dated August 30, 2018 (the "**Bond Purchase Agreement**"), among the Issuer, the Underwriter, the Institution, the School, Rosemawr Management LLC (the "**Bondholder Representative**") and Rosemawr Capital III LP and Rosemawr Municipal Partners Fund LP (collectively, the "**Initial Beneficial Owners**").

Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned thereto in Section 1.01 of the Indenture.

The Series 2018 Bonds are dated the date hereof, and bear interest from the date thereof pursuant to the terms of the Series 2018 Bonds. The Series 2018 Bonds are subject to prepayment or redemption prior to maturity, as a whole or in part, at such time or times, under such circumstances and in such manner as is set forth in the Series 2018 Bonds and the Indenture.

As bond counsel, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such instruments, certificates and documents (including all documents constituting the Record of Proceedings with respect to the issuance of the Series 2018 Bonds) as we have deemed necessary or appropriate for the purposes of the opinions rendered below. In

such examination, we have assumed the genuineness of all signatures, the authenticity and due execution of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion, without having conducted any independent investigation, we have relied upon, and assumed the accuracy and truthfulness of, the aforesaid instruments, certificates and documents.

In rendering the opinions set forth below, we have relied upon, among other things, certain representations and covenants made by the parties in this transaction including: (i) the Institution in (a) the Bond Purchase Agreement; (b) the Tax Regulatory Agreement; (c) the Loan Agreement; (d) the Letter of Representation and Indemnification, dated of even date herewith; (e) the Continuing Disclosure Agreement, dated the date hereof (the "**Continuing Disclosure Agreement**"), the Institution, the School and the Trustee; and (f) the Bond Counsel Due Diligence Questionnaire submitted to us by the Institution, as amended and supplemented; and (ii) the Issuer in (a) the Indenture; (b) the Tax Regulatory Agreement; (c) the Loan Agreement; (d) the Assignment; (e) the Certificate of Determination, dated the date hereof; and (f) the General Certificate of the Issuer, dated the date hereof. We call your attention to the fact that there are certain requirements with which the Issuer, the Institution, the Organization and the School must comply after the date of issuance of the Series 2018A Bonds in order for the interest on the Series 2018A Bonds to remain excluded from gross income for Federal income tax purposes. Copies of the aforementioned documents are included in the Record of Proceedings.

In addition, in rendering the opinions set forth below, we have relied upon the opinions of the General Counsel of the Issuer, Meredith J. Jones, Esq., co-counsel to the Institution, Perlman + Perlman LLP, New York, New York and Arent Fox LLP, New York, New York, counsel to the School, Cohen Schneider LLP, New York, New York, and counsel to the Trustee, Paparone Law PLLC, New York, New York in the Record of Proceedings.

Based upon and subject to the foregoing, we are of the opinion that:

1. The Issuer is a duly organized and existing corporate entity constituting a local development corporation of the State of New York.

2. The Issuer is duly authorized to issue, execute, sell and deliver the Series 2018 Bonds, for the purpose of paying the costs described above.

3. The Resolution has been duly adopted by the Issuer and is in full force and effect.

4. The Indenture, the Tax Regulatory Agreement, the Loan Agreement, the Assignment and the Bond Purchase Agreement (collectively, the "**Issuer Documents**") have been duly authorized, executed and delivered by the Issuer.

5. Assuming the due authorization, execution and delivery of the Issuer Documents by the other parties thereto, the Indenture, the Loan Agreement, the Tax Regulatory Agreement,

the Assignment and the Bond Purchase Agreement are legal, valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms.

6. The Series 2018 Bonds have been duly authorized, executed and delivered by the Issuer and are legal, valid and binding special obligations of the Issuer payable solely from the revenues derived from the Loan Agreement, enforceable against the Issuer in accordance with their respective terms.

7. The Series 2018 Bonds do not constitute a debt of the State of New York or of The City of New York and neither the State of New York nor The City of New York will be liable thereon.

8. The Code sets forth certain requirements which must be met subsequent to the issuance and delivery of the Series 2018A Bonds for interest thereon to be and remain excluded from gross income for Federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2018A Bonds to be included in gross income for Federal income tax purposes retroactive to the date of issuance of the Series 2018A Bonds. Pursuant to the Indenture, the Loan Agreement and the Tax Regulatory Agreement, the Issuer, the Institution, the Organization and the School have covenanted to maintain the exclusion from gross income of the interest on the Series 2018A Bonds pursuant to Section 103 of the Code. In addition, the Issuer, the Institution, the Organization and the School have made certain representations and certifications in the Indenture, the Loan Agreement and the Tax Regulatory Agreement. We are also relying on the opinion of special counsel to the Institution as to all matters concerning the status of the Institution as a disregarded entity for federal income tax purposes and as to all matters concerning the status of the Organization as an organization described in Section 501(c)(3) of the Code and exempt from federal income tax under Section 501(a) of the Code. In addition, we are relying on the opinion of special counsel to the School as to all matters concerning the status of the School as an organization described in Section 501(c)(3) of the Code and exempt from federal income tax under Section 501(a) of the Code. We have not independently verified the accuracy of those certifications and representations or those opinions.

Under existing law, assuming compliance with the tax covenants described herein and the accuracy of the aforementioned representations and certifications, interest on the Series 2018A Bonds is excluded from gross income for Federal income tax purposes under Section 103 of the Code. We are also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code.

9. Interest on the Series 2018A Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision of the State of New York (including The City of New York), assuming compliance with the tax covenants and the accuracy of the representations and certifications described in paragraph 8 herein.

10. The excess of the principal amount of a maturity of the Series 2018A Bonds over the price at which a substantial amount of such maturity of the Series 2018A Bonds was sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) (each, a "**Discount Bond**" and collectively, the "**Discount Bonds**") constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Series 2018A Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment.

11. Interest on the Series 2018B Bonds is not excluded from gross income for Federal income tax purposes under Section 103 of the Code.

12. Interest on the Series 2018B Bonds is not exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Except as stated in paragraphs 8, 9, 10, 11 and 12, we express no opinion as to any other Federal, state or local tax consequences of the ownership or disposition of the Series 2018 Bonds. Furthermore, we express no opinion as to any Federal, state or local tax law consequences with respect to the Series 2018 Bonds, or the interest thereon, if any action is taken with respect to the Series 2018 Bonds or the proceeds thereof upon the advice or approval of other counsel.

The foregoing opinions are qualified to the extent that the enforceability of the Series 2018 Bonds, the Indenture, the Loan Agreement, the Tax Regulatory Agreement, the Assignment and the Bond Purchase Agreement may be limited by bankruptcy, insolvency or other laws or enactments now or hereafter enacted by the State of New York or the United States affecting the enforcement of creditors' rights and by restrictions on the availability of equitable remedies and to the extent, if any, that enforceability of the indemnification provisions of such documents may be limited under law. We express no opinion with respect to the availability of any specific remedy provided for in any of the bond documents.

In rendering the foregoing opinions, we are not passing upon and do not assume any responsibility for the accuracy, completeness, sufficiency or fairness of any documents, information or financial data supplied by the Issuer, the Institution, the Organization, the School or the Trustee in connection with the Series 2018 Bonds, the Indenture, the Loan Agreement, the Mortgage, the Tax Regulatory Agreement, the Assignment, the Continuing Disclosure Agreement, the Bond Purchase Agreement, the Pledge and Security Agreement, dated as of September 1, 2018, between the Institution and the Trustee, and the Project, and we make no

representation that we have independently verified the accuracy, completeness, sufficiency or fairness of any such documents, information or financial data.

We express no opinion with respect to the registration requirements under the Securities Act of 1933, as amended, the registration or qualification requirements under the Trust Indenture Act of 1939, as amended, the registration, qualification or other requirements of State Securities laws or the availability of exemptions therefrom.

We express no opinion as to the sufficiency of the description of the Facility Realty or the Facility Personalty contained in the Loan Agreement or as to the adequacy, perfection or priority of any security interest in any collateral securing the Series 2018 Bonds.

We express no opinion with respect to whether the Issuer and the Institution (i) have complied with environmental laws, (ii) have obtained any or all necessary governmental approvals, consents or permits, or (iii) have complied with the New York Labor Law or other applicable laws, rules, regulations, orders and zoning and building codes, all in connection with the construction, equipping, furnishing and operation of the Facility.

The opinions expressed herein may be relied upon by the addressee and may not be relied upon by any other person without our prior written consent.

Very truly yours

APPENDIX I

FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX I

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

between

FRIENDS OF HEBREW PUBLIC BORROWER, LLC,
as Institution

AND

HEBREW LANGUAGE ACADEMY CHARTER SCHOOL 2,
as School

AND

The School Improvement Partnership,
as Dissemination Agent

Dated as of September 6, 2018

Relating to:

$34,030,000	**$1,980,000**
Build NYC Resource Corporation	**Build NYC Resource Corporation**
Revenue Bonds, Series 2018A	**Taxable Revenue Bonds, Series 2018B**
(Friends of Hebrew Public Borrower, LLC Project)	**(Friends of Hebrew Public Borrower, LLC Project)**

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement"), dated as of September 6, 2018, is executed and delivered by Friends of Hebrew Public Borrower, LLC, a Delaware limited liability company (the "Institution"), and Hebrew Language Academy Charter School 2, Inc., a New York not-for-profit education corporation (the "School"), and the School Improvement Partnership, as dissemination agent (the "Dissemination Agent"), in connection with the issuance by Build NYC Resource Corporation (the "Issuer") of its (i) Revenue Bonds, Series 2018A (Friends of Hebrew Public Borrower, LLC Project) (the "Series 2018A Bonds"), in the original aggregate principal amount of $34,030,000 and (ii) Taxable Revenue Bonds, Series 2018B (Friends of Hebrew Public Borrower, LLC Project) (the "Series 2018B Bonds," and together with the Series 2018A Bonds, the "Series 2018 Bonds"), in the original aggregate principal amount of $1,980,000. The Series 2018 Bonds are being issued pursuant to an Indenture of Trust, dated as of September 1, 2018 (the "Indenture"), between the Issuer and The Bank of New York Mellon, New York, New York, as trustee (the "Trustee"). The proceeds of the Series 2018 Bonds are being loaned by the Issuer to the Institution pursuant to a Loan Agreement, dated as of September 1, 2018 (the "Loan Agreement"), between the Issuer and the Institution. Pursuant to the Loan Agreement, the Institution has covenanted and agreed to provide and to cause the School to provide the continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events.

Section 1. Purpose of Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Institution, the School, and the Dissemination Agent for the benefit of the Registered Owners of the Series 2018 Bonds (for such purpose beneficial owners of the Series 2018 Bonds shall also be considered Registered Owners of the Series 2018 Bonds), the Bondholder Representative (as defined in the Indenture) and D.A. Davidson & Co., Denver, Colorado (the "Underwriter").

Section 2. Defined Terms.

"Annual Report" means the financial information and operating data required to be transferred by the Institution and the School, as applicable, to the Dissemination Agent pursuant to Section 3(a)(1) of this Disclosure Agreement.

"Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2018 Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2018 Bonds for federal income tax purposes.

"Business Day" has the same meaning as defined in the Indenture.

"Covenant Agreement" means the Continuing Covenants Agreement, dated as of September 1, 2018, among the Institution, the School, the Bondholder Representative and the Trustee, as the same may be amended or supplemented from time to time.

"Dissemination Agent" means the School Improvement Partnership, as dissemination agent under this Disclosure Agreement, its successors and assigns.

"EMMA" means the Electronic Municipal Market Access system operated by the MSRB and the primary portal for complying with the continuing disclosure requirements of the Rule and any successor portal identified by the MSRB.

"Events Notices" means the notices required to be given by the Institution and the School pursuant to Section 5 of this Disclosure Agreement.

"Facility" means the approximately 34,570 square foot building to be comprised of three above-ground stories for general classroom and administrative use and a cellar with mechanical equipment, together with related site improvements located at 166 Kings Highway, Brooklyn, New York (the "Land"), that is used in the charter school operations of the School as the same may be improved from time to time.

"Indenture" means the Indenture of Trust, dated as of September 1, 2018, between the Issuer and the Trustee, as the same may be amended from time to time.

"Institution" means Friends of Hebrew Public Borrower, LLC, a Delaware limited liability company, its successors and assigns.

"Institution's Audited Financial Statements" means the Institution's annual financial statements, prepared in accordance with GAAP.

"Institution's Disclosure Representative" means any officer of the Institution or its designee or such other person as the Institution shall designate in writing to the Dissemination Agent from time to time.

"Institution's Fiscal Year" means the fiscal year of the Institution, which may be the same or different from the School's Fiscal Year.

"Issuer" means Build NYC Resource Corporation, its successors and assigns.

"Limited Offering Memorandum" means the Limited Offering Memorandum, dated August 30, 2018, relating to the Series 2018 Bonds.

"Loan Agreement" means the Loan Agreement, dated as of September 1, 2018, between the Issuer and the Institution, as the same may be amended from time to time.

"MSRB" means the Municipal Securities Rulemaking Board, its successors and assigns.

"Operations Report" means the financial information and operating data required to be transferred by the School to the Dissemination Agent pursuant to Section 3(a)(3) of this Disclosure Agreement.

"Quarterly Report" means the financial information and operating data required to be transferred by the School to the Dissemination Agent pursuant to Section 3(a)(2) of this Disclosure Agreement.

"Repository" means EMMA.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as amended or supplemented by the SEC from time to time.

"School" means Hebrew Language Academy Charter School 2, a New York not-for-profit education corporation, its successors and assigns.

"School's Audited Financial Statements" means the School's annual financial statements, prepared in accordance with generally accepted accounting principles ("GAAP").

"School's Disclosure Representative" means any officer of the School or its designee or such other person as the School shall designate in writing to the Dissemination Agent from time to time.

"School's Fiscal Year" means the fiscal year of the School.

"SEC" means the Securities and Exchange Commission, its successors and assigns.

"Series 2018 Bonds" means the Series 2018A Bonds and the Series 2018B Bonds.

"Series 2018A Bonds" means the Issuer's Revenue Bonds, Series 2018A (Friends of Hebrew Public Borrower, LLC Project), in the original aggregate principal amount of $34,030,000.

"Series 2018B Bonds" means the Issuer's Taxable Revenue Bonds, Series 2018B (Friends of Hebrew Public Borrower, LLC Project), in the original aggregate principal amount of $1,980,000.

"Significant Bondholder" means a Beneficial Owner of $1,000,000 or more of the Series 2018 Bonds.

"Trustee" means The Bank of New York Mellon, New York, New York, its successors and assigns.

"Underwriter" means D.A. Davidson & Co., its successors and assigns.

Section 3. Provision of Annual Reports, Quarterly Reports, and Operations Reports.

(a) (1) *Annual Reports.*

(A) *The Institution.* No later than December 31 each year, commencing December 31, 2019 for the fiscal year ended June 30, 2019, the Institution shall provide to the Repository, or shall cause the Dissemination Agent to provide to the Repository, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Institution may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if the audited financial statements are not available by that date, but the unaudited financial information available on such date is submitted. The Annual Report shall be provided at least annually notwithstanding a fiscal year longer than twelve (12) calendar months. The Institution may change its current fiscal year, but must notify the Issuer and the Repository or any other filing system approved by the SEC, of each such change within thirty (30) days after the later of the adoption of a new fiscal year and the end of the fiscal year that occurs before the former fiscal year would have ended.

(B) *The School.* No later than December 31 each year, commencing December 31, 2019 for the fiscal year ended June 30, 2019, the School shall provide to the Repository, or shall cause the Dissemination Agent to provide to the Repository, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure

Agreement. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the School may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if the audited financial statements are not available by that date, but the unaudited financial information available on such date is submitted. The Annual Report shall be provided at least annually notwithstanding a fiscal year longer than twelve (12) calendar months. The School may change its current fiscal year, but must notify the Issuer and the Repository, of each such change within thirty (30) days after the later of the adoption of a new fiscal year and the end of the fiscal year that occurs before the former fiscal year would have ended.

(C) At such time in the future if the Institution's financial statements are included in a consolidated schedule to the Manager's (as defined in the Limited Offering Memorandum) financial statements, or the Organization's (as defined in the Limited Offering Memorandum) financial statements, as applicable, the Institution and the Manager or Organization, as applicable, may submit a joint Annual Report that complies with Section 3(a)(1) and Section 4 of this Disclosure Agreement and the filing deadline shall be December 31 of each year.

(2) *Quarterly Reports.* On or before sixty (60) days after the end of each fiscal quarter (each a "Quarterly Submission Date"), commencing with the quarter ending December 31, 2018, the School shall provide to the Repository, or shall cause the Dissemination Agent to provide to the Repository, certain unaudited financial information relating to the School as specified in Section 4(b) hereof (the "Quarterly Reports"). The Quarterly Report of the School may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement.

(3) *Operations Reports.* On or before August 31 of each year, the School shall provide to the Repository, or shall cause the Dissemination Agent to provide to the Repository, a copy (which may be sent electronically) of the School's adopted annual budget for the present Fiscal Year commencing with the Fiscal Year starting July 1, 2019 and a copy of revisions, if any, to the School's annual budget as approved by its governing board.

(b) As soon as is practicable after the completion of any of the disclosure reports required by paragraph (a) (collectively referred to as the "Disclosure Reports"), the School shall provide each Disclosure Report to the Dissemination Agent, and any Significant Bondholder who requested such information in writing. The Dissemination Agent shall, at the School's cost, transmit the information contained in the Disclosure Reports in accordance with the requirements of Section 7 hereof.

(c) If the Institution or the School does not provide to the Dissemination Agent a copy of an Annual Report, or the School does not provide to the Dissemination Agent a copy of the Quarterly Report, by the applicable dates required in Section 3(a)(1) and (2) above, respectively, the Dissemination Agent shall send a notice to the Institution or the School, as applicable, the Repository, and the Underwriter, in substantially the form attached as EXHIBIT C with respect to the Institution and EXHIBIT D with respect to the School. In the event that the Institution or School files the Disclosure Reports directly with the Repository on or before the dates required in Section 3(a) above, the Institution or the School shall promptly provide the Dissemination Agent with a certification, or other documentation reasonably required by the Dissemination Agent, that the filing of the Disclosure Report was made in a

timely manner on or before the date required herein and such filing contained the information required by this Disclosure Agreement.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address (physical or electronic, as applicable) of the Repository; and

(ii) provided the Annual Report has been provided to the Dissemination Agent by the School, file a report with the School stating the date it was provided and that it was provided to the Repository.

Section 4. Content of Annual Reports and Quarterly Reports.

(a) *Annual Reports.* The Annual Report shall contain or include by reference the audited financial statements of the Institution and the School, respectively, for their respective prior fiscal year, prepared in accordance with GAAP as promulgated from time to time and which, with respect to the Institution, may be consolidated with the Manager or the Organization, as applicable (if determined appropriate by the Institution and the Manager or the Organization, as applicable). If the Institution's or the School's, as applicable, audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the Institution's or the School's audited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when such audited financial statements become available.

To the extent not included in the audited final statements of the Institution and the School, the Annual Report shall also include a certificate substantially in the form attached hereto as EXHIBIT A with respect to the Institution and EXHIBIT B with respect to the School that provides certain Institution or School data, demonstrates the Institution's or School's compliance with certain operating covenants contained in the Loan Agreement or the Covenant Agreement, as applicable, and provides updates to the information in the Limited Offering Memorandum found in certain table(s) under the heading "APPENDIX A – HEBREW LANGUAGE ACADEMY CHARTER SCHOOL 2." If New York reporting requirements change with respect to any of the reportable categories/tables set forth in the certificate form in EXHIBIT A hereto, then the Institution and the School shall be allowed to make corresponding adjustments in the format/information reported in such tables to comply with the changes.

(b) *Quarterly Reports.* The Quarterly Report of the School shall contain unaudited financial statements of the School for such fiscal quarter consisting of at least statements of financial position (balance sheets and income statements/statement of operations) as of the end of such quarter and statements of activities for such fiscal quarter and year to date along with a copy of the budget then in effect, each prepared in accordance with GAAP, as in effect from time to time (subject to year end adjustments and except such financial statements may omit footnotes that would be required by GAAP), consistently applied, or, if and to the extent such financial statements have not been prepared in accordance with such GAAP beyond the reasonable control of the School noting the discrepancies therefrom and the effect thereof, with a written explanation of adverse deviations for any line item of 10% or greater.

(c) *Annual Conference Calls.* Commencing in 2019, the School shall hold an annual conference call with Beneficial Owners by January 31 of each calendar year following issuance of the audited financial statements of the School for the immediately preceding fiscal year. Upon request of any Significant Bondholder, such conference call shall take place within three (3) Business Days of issuance

of such annual financial statements. Notice of the annual conference call shall be posted to EMMA at least three (3) Business Days prior to the occurrence of the call. The Dissemination Agent shall only be required to post notice of such annual conference calls if requested to do so in writing by the School. Such conference call shall be recorded and posted to EMMA for at least a thirty (30) day period following occurrence of the conference call.

(d) Any or all of the Disclosure Reports may be incorporated by reference from other documents, including official statements, which have been submitted to the Repository. If the Disclosure Report information is changed or this Disclosure Agreement is amended in accordance with its terms, then the Institution and the School are to include in the next Disclosure Report to be delivered thereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

Section 5. Material Events. The Institution and the School agree to provide or cause to be provided, in a timely manner not in excess of ten (10) Business Days, (i) to the Underwriter, and (ii) to the Repository, notice of the occurrence of any of the following events ("Events Notice") with respect to the Series 2018 Bonds:

(a) Principal and interest payment delinquencies;

(b) Non-payment related defaults, if material;

(c) Unscheduled draws on debt service reserves reflecting financial difficulties;

(d) Unscheduled draws on credit enhancements reflecting financial difficulties;

(e) Substitution of credit or liquidity providers, or their failure to perform;

(f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(g) Modifications to rights of security holders, if material;

(h) Bond calls, if material, and tender offers;

(i) Defeasances;

(j) Release, substitution, or sale of property securing repayment of the securities, if material;

(k) Rating changes;

(l) Bankruptcy, insolvency, receivership or similar event of the obligated person including, the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a

court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person;

(m) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(n) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

Each Events Notice shall be so captioned and shall prominently state the date, title and (to the extent less than all of the Series 2018 Bonds are affected by the related material event) CUSIP numbers of the affected Series 2018 Bonds. The Institution or the School may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above.

Section 6. Submission of Information. Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to EMMA, the current Internet Web address of which is www.emma.msrb.org. All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Dissemination Agent. The Institution and the School have engaged the Dissemination Agent to assist the Institution and the School in disseminating information hereunder. The Institution and the School shall send all Disclosure Reports required by Section 3 hereof, and Event Notices required by Section 5 hereof, to the Dissemination Agent. The Dissemination Agent shall, within five (5) Business Days of receipt of such Disclosure Report and within two (2) Business Days receipt of an Events Notice, forward such information to (i) the Repository and/or the MSRB or any other filing system approved by the SEC, as appropriate; (ii) the Issuer; (iii) the Underwriter; and (iv) any Registered or Beneficial Owner of the Series 2018 Bonds identified in writing by the Underwriter. The Institution and the School agree to pay any reasonable costs incurred by the Dissemination Agent as a result of disseminating information to any requesting Registered or Beneficial Owners of the Series 2018 Bonds. The Institution and the School may discharge the Dissemination Agent or any successor Dissemination Agent with or without appointing a successor Dissemination Agent. The Dissemination Agent does not have any duty to review the materials described in this paragraph prior to disseminating such materials.

Section 8. Termination of Obligations. Pursuant to paragraph (b)(5)(iii) of the Rule, the Institution's and the School's obligation to provide the Disclosure Reports and any Events Notices, as set forth in this Disclosure Agreement, shall terminate as to the Institution and the School, respectively, if and when the Institution and the School, as applicable, no longer remain obligated persons with respect to the Series 2018 Bonds, which shall occur upon either payment of the Series 2018 Bonds in full or the legal defeasance of the Series 2018 Bonds in accordance with the Indenture.

Section 9. Enforceability and Remedies. This Disclosure Agreement is intended to be for the sole benefit of the Registered Owners of the Series 2018 Bonds (for such purpose beneficial owners of the Series 2018 Bonds shall also be considered Registered Owners of the Series 2018 Bonds), the Issuer, and the Underwriter and shall create no rights in any other person or entity.

This Disclosure Agreement shall be enforceable by or on behalf of any such Registered Owner of the Series 2018 Bonds, provided that the right of any Registered Owner to challenge the timely filing, failure to file or the adequacy of the information furnished pursuant to this Disclosure Agreement shall be

limited to an action by or on behalf of Registered Owners representing at least 25% of the aggregate outstanding principal amount of the Series 2018 Bonds. The parties hereto acknowledge that this Disclosure Agreement is also enforceable on behalf of the Registered Owners of the Series 2018 Bonds by the Trustee, and the Trustee may, and upon the written direction of (i) the Bondholder Representative (or if no Bondholder Representative exists, the Registered Owners of not less than 25% of the aggregate outstanding principal amount of the Series 2018 Bonds) or (ii) the Underwriter shall, proceed to protect and enforce the rights of the Registered Owners of the Series 2018 Bonds pursuant to this Disclosure Agreement; provided that in all cases the Trustee shall be entitled to the indemnification and other provisions of the Indenture with regard to any actions. Prior to proceeding at the request or direction of the Underwriter the Trustee may require the same types of indemnification and related protections from the Underwriter to which the Trustee would otherwise be entitled under the Indenture if so requested or directed by the Registered Owners under the terms of the Indenture. Any failure by the Institution and the School to comply with the provisions of this Disclosure Agreement shall not be an Event of Default under the Loan Agreement or the Indenture.

The Registered Owners' and the Trustee's rights to enforce the provisions of this Disclosure Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel the Institution and the School to perform the Institution's and the School's obligations under this Disclosure Agreement, and the Institution and the School, their directors, officers and employees shall incur no liability under this Disclosure Agreement by reason of any act or failure to act hereunder. Without limiting the generality of the foregoing, neither the commencement nor the successful completion of an action to compel performance under this Section 9 entitles the Trustee or any other person to attorneys' fees, financial damages of any sort or any other relief other than an order or injunction compelling performance; provided that the Trustee shall nevertheless be entitled to attorneys' fees and such other rights and amounts as provided in the Indenture.

Section 10. Amendment. Notwithstanding any other provision of this Disclosure Agreement, the Institution and the School and the Dissemination Agent may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, without the consent of the Registered Owners but with the consent of the Dissemination Agent, under the following conditions:

(a) The amendment or waiver may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Institution and the School, or type of business conducted;

(b) This Disclosure Agreement, as amended or with the provision so waived, would have complied with the requirements of the Rule at the time of the original issuance of the Series 2018 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not materially impair the interest of Registered Owners of the Series 2018 Bonds, as determined either by parties unaffiliated with the Institution and the School (which shall include the Dissemination Agent or Bond Counsel, or any other party determined by any of them to be unaffiliated), or by approving vote of Registered Owners of the Series 2018 Bonds pursuant to the terms of the Indenture at the time of the amendment or waiver.

The Institution and the School shall provide notice of each amendment or waiver to the Repository or any other filing system approved by the SEC. The initial annual financial or operating information provided by the Institution and the School after the amendment or waiver shall explain, in narrative form, the reasons for the amendment or waiver and the effect of the change in the type of operating data or financial information being provided.

Section 11. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

Section 12. Choice of Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of New York, provided that to the extent this Disclosure Agreement addresses matters of federal securities laws, including the Rule, this Disclosure Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

Section 13. Severability. If any portion of this Disclosure Agreement shall be held invalid or inoperative, then, so far as is reasonable and possible (i) the remainder of this Disclosure Agreement shall be considered valid and operative, and (ii) effect shall be given to the intent manifested by the portion held invalid or inoperative.

Section 14. Other Instruments. The Institution and the School and the Dissemination Agent covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out this Disclosure Agreement.

Section 15. Captions, Titles, and Headings. The captions, titles, and headings used in this Disclosure Agreement are for convenience only and shall not be construed in interpreting this Disclosure Agreement.

Section 16. Entire Agreement. This Disclosure Agreement contains the entire understanding among the parties and supersedes any prior understandings or written or oral agreements between them respecting the subject matter of this Disclosure Agreement.

Section 17. Dissemination Agent Compensation. The Institution and the School shall pay to or reimburse the Dissemination Agent for its fees and expenses for the Dissemination Agent's services (including attorneys' fees) rendered in accordance with this Agreement.

Section 18. Indemnification of Dissemination Agent. In addition to any and all rights of the Dissemination Agent for reimbursement, indemnification and other rights pursuant to the Rule or under law or equity, the Institution and the School shall indemnify and hold harmless the Dissemination Agent and its respective officers, directors, employees and agents from and against any and all claims, damages, losses, liabilities, reasonable costs and expenses whatsoever (including attorney fees) which such indemnified party may incur by reason of or in connection with the Dissemination Agent's performance under this Disclosure Agreement and in the enforcement of its indemnification rights hereunder; provided that the Institution and the School shall not be required to indemnify the Dissemination Agent for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the misconduct or gross negligence of the Dissemination Agent in such disclosure of information hereunder. The obligations of the Institution and the School under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2018 Bonds.

Section 19. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the Institution: Friends of Hebrew Public Borrower, LLC
555 8th Avenue, Suite 1703
New York, New York 10018
Attention: Chair

To the School:	Hebrew Language Academy Charter School 2 555 8th Avenue, Suite 1703 New York, New York 10018 Attention: Administrator
with a copy to:	Cohen Schneider LLP 275 Madison Ave., 19th Floor New York, NY 10016 Attn: Cliff Schneider
To the Dissemination Agent:	School Improvement Partnership 1515 Market Street, Suite 1200 Philadelphia, PA 19102 Attn: Alan F. Wohlstetter, President
To the Underwriter:	D.A. Davidson & Co. 1550 Market Street, Suite 300 Denver, CO 80202 Attn: Eric Duran, Managing Director

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

Section 20. Duties and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Dissemination Agent shall have no duty or obligation to review or verify any information provided to them by the Institution or the School or to determine the materiality of a Material Event and shall not be deemed to be acting in any fiduciary capacity for the Institution, the School, the Holders or any other party. The Dissemination Agent shall have no responsibility for a failure of the Institution or the School to report a Material Event to the Dissemination Agent. The Dissemination Agent shall have no power or authority to enforce performance of the Institution's or the School's duties and obligations thereunder and shall not be required to take any action to cause the Institution or the School to comply with its obligations hereunder. The obligations of the Institution or the School under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2018 Bonds.

The fact that the Dissemination Agent of any affiliate thereof may have any fiduciary or banking relationship with the Institution or the School apart from the relationship created by this Disclosure Agreement shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition except as may be provided by written notice from the Institution or the School. Nothing in this Disclosure Agreement shall be construed to require the Dissemination Agent to interpret or provide an opinion concerning any information disseminated hereunder. If the Dissemination Agent receives a request for an interpretation or opinion, the Dissemination Agent may refer such request to the Institution or the School, as applicable, for response.

Section 21. Electronic Signatures. The parties agree that the electronic signature of a party to this Disclosure Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Disclosure Agreement. For purposes hereof: (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message.

SCHOOL IMPROVEMENT PARTNERSHIP, as Dissemination Agent

By: _____
Its: Authorized Officer

FRIENDS OF HEBREW PUBLIC BORROWER, LLC, as Institution

By: _____
Its: _____

HEBREW LANGUAGE ACADEMY CHARTER SCHOOL 2, as School

By: _____
Its: _____

EXHIBIT A

FORM OF CERTIFICATE FOR ANNUAL FILING OF CERTAIN INSTITUTION OPERATING COVENANTS

Name of Issuer:	Build NYC Resource Corporation
Name of Bond Issue:	Revenue Bonds Series 2018A (Friends of Hebrew Public Borrower, LLC Project) Taxable Revenue Bonds Series 2018B (Friends of Hebrew Public Borrower, LLC Project)
Dissemination Agent:	School Improvement Partnership
Name of Institution:	Friends of Hebrew Public Borrower, LLC
Name of School:	Hebrew Language Academy Charter School 2
Date of Issuance:	September 6, 2018

NOTICE IS HEREBY GIVEN that the Institution is providing to the Dissemination Agent the following operational information as required under Section 4(a) of the Continuing Disclosure Agreement, dated as of September __, 2018 (the "Disclosure Agreement"), between the Dissemination Agent, the Institution and the School. The Disclosure Agreement requires that the Institution provide this information to the Dissemination Agent by December 31 each year. Capitalized terms used in this certificate and not defined herein shall have the meanings granted to such terms in the Indenture of Trust, dated as of September 1, 2018 (the "Indenture"), between the Issuer and The Bank of New York Mellon, as trustee. The information contained below is unaudited.

As of June 30, 20__, the amount on deposit in the Repair and Replacement Fund is $_____.

This certificate is being provided by the Institution to the Dissemination Agent [before][after] the timeframe required by Section 3(a)(1) of the Disclosure Agreement.

Dated: _____

Friends of Hebrew Public Borrower, LLC,
as Institution

By: _____
Its: _____

EXHIBIT B

FORM OF CERTIFICATE FOR ANNUAL FILING OF CERTAIN SCHOOL OPERATING COVENANTS

Name of Issuer:	Build NYC Resource Corporation
Name of Bond Issue:	Revenue Bonds, Series 2018A (Friends of Hebrew Public Borrower, LLC Project) Taxable Revenue Bonds, Series 2018B (Friends of Hebrew Public Borrower, LLC Project)
Dissemination Agent:	School Improvement Partnership
Name of Institution:	Friends of Hebrew Public Borrower, LLC
Name of School:	Hebrew Language Academy Charter School 2
Date of Issuance:	September 6, 2018

NOTICE IS HEREBY GIVEN that the School is providing to the Dissemination Agent the following operational information as required under Section 4(a) of the Continuing Disclosure Agreement, dated as of September 6, 2018 (the "Disclosure Agreement"), between the Dissemination Agent, the Institution and the School. The Disclosure Agreement requires that the School provide this information to the Dissemination Agent by December 31 each year. Capitalized terms used in this certificate and not defined herein shall have the meanings granted to such terms in the Indenture of Trust, dated as of September 1, 2018 (the "Indenture"), between the Issuer and The Bank of New York Mellon, as trustee. The information contained below is unaudited.

1. As of June 30, 20__, the Institution's and the School's:

   (a) Days' Cash on Hand (as defined in the Continuing Covenants Agreement) was equal to $_____.

   (b) Days' Cash on Hand (as defined in and calculated as provided in the Continuing Covenants Agreement) was ____ days.

   (c) Based on the information set forth in (b) above, the School [is/is not] in compliance with the Days' Cash on Hand Requirement (as defined in the Continuing Covenants Agreement). (Commencing June 30, 2021)

   (d) The Debt Service Coverage Ratio (as defined in the Continuing Covenants Agreement) as of June 30, 20__ was ____.

   (e) Based on the information set forth in (d) above, the School [is/is not] in compliance with such the Debt Service Coverage Ratio Requirement (as defined in the Continuing Covenants Agreement). (Commencing June 30, 2021).

2. Organizational Changes to CEO, Principal, Board President or Management Company.

3. Charter Authorizer Communications affecting the Charter, its terms or conditions.

4. The following tables in APPENDIX A to the Limited Offering Memorandum are to be updated:

A. TABLE A- 1: "MAP Results"
B. TABLE A- 4: "Teachers at the School" with percentage of returning teachers indicated.
C.
D. TABLE A-5: "Historical and Projected Enrollment By Grade Level," only historical information with percentage of returning students indicated by grade;
E. TABLE A-6: "Hebrew Public NYC Schools: Demographics" HLA2 information only;
F. TABLS A-11: "Historic Per Pupil Funding Charter NY State Funding;" and
G. TABLE A-12: "Assessment Results"

This certificate is being provided by the School to the Dissemination Agent [by][after] December 31.

Dated: _____

Friends of Hebrew Language Academy Charter School 2,
as School

_____
By: _____
Its: _____

EXHIBIT C

NOTICE TO REPOSITORIES BY INSTITUTION OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	Build NYC Resource Corporation
Name of Bond Issue:	Revenue Bonds, Series 2018A (Friends of Hebrew Public Borrower, LLC Project) Taxable Revenue Bonds, Series 2018B (Friends of Hebrew Public Borrower, LLC Project)
Dissemination Agent:	School Improvement Partnership
Name of Institution:	Friends of Hebrew Public Borrower, LLC
Name of School:	Hebrew Language Academy Charter School 2
Date of Issuance:	September 6, 2018

NOTICE IS HEREBY GIVEN that the Institution has not provided an Annual Report with respect to the above-named Series 2018 Bonds as required by the Continuing Disclosure Agreement, dated as of September 6, 2018, between the undersigned Dissemination Agent, the Institution and the School. The Institution anticipates that the Annual Report will be filed by _____.

Dated: _____

School Improvement Partnership,
as Dissemination Agent

By_____
Authorized Signatory

cc: Friends of Hebrew Public Borrower, LLC
D.A. Davidson & Co.
Build NYC Resource Corporation

EXHIBIT D

NOTICE TO REPOSITORIES OF FAILURE BY SCHOOL TO FILE ANNUAL OR QUARTERLY REPORT

Name of Issuer:	Build NYC Resource Corporation
Name of Bond Issue:	Revenue Bonds, Series 2018A (Friends of Hebrew Public Borrower, LLC Project) Taxable Revenue Bonds, Series 2018B (Friends of Hebrew Public Borrower, LLC Project)
Dissemination Agent:	School Improvement Partnership
Name of Institution:	Friends of Hebrew Public Borrower, LLC
Name of School:	Hebrew Language Academy Charter School 2
Date of Issuance:	September 6, 2018

NOTICE IS HEREBY GIVEN that the School has not provided an [Annual Report][Quarterly Report] with respect to the above-named Series 2018 Bonds as required by the Continuing Disclosure Agreement, dated as of _____ 1, 2018, between the undersigned Dissemination Agent, the School and the Institution. The School anticipates that the [Annual Report] [Quarterly Report] will be filed by _____.

Dated: _____

School Improvement Partnership,
as Dissemination Agent

By: _____
Authorized Signatory

cc: Hebrew Language Academy Charter School 2
D.A. Davidson & Co.
Build NYC Resource Corporation

APPENDIX J

BOOK-ENTRY ONLY SYSTEM

APPENDIX J

BOOK-ENTRY ONLY SYSTEM

The information in this APPENDIX J concerning DTC (as defined below), Cede & Co. and the Book-Entry System has been furnished by DTC for use in disclosure documents such as this Limited Offering Memorandum. The Issuer, the Institution, the School and the Underwriter believe such information to be reliable, but none of the Issuer, the Institution, the School or the Underwriter takes any responsibility for the accuracy or completeness thereof.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities discussed in the body of this Limited Offering Memorandum (the "Series 2018 Bonds"). The Series 2018 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2018 Bond certificate will be issued for each maturity of the Series 2018 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Series 2018 Bonds under the DTC system must be made by or through Direct Participants which will receive a credit for the Series 2018 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2018 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2018 Bond are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2018 Bonds, except in the event that use of the book-entry system for the Series 2018 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2018 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2018 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2018 Bond; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2018 Bond are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2018 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2018 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2018 Bond documents. For example, Beneficial Owners of the Series 2018 Bonds may wish to ascertain that the nominee holding the Series 2018 Bond for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices are required to be sent to DTC. If less than all of the Series 2018 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to Series 2018 Bond unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2018 Bond are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2018 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner will give notice to elect to have its Series 2018 Bond purchased or tendered, through its Participant, to the Trustee, and will effect delivery of such Series 2018 Bond by causing the Direct Participant to transfer the Participant's interest in the Series 2018 Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Series 2018 Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2018

Bond are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Series 2018 Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Series 2018 Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2018 Bond certificates are required to be printed and delivered. The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2018 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

THE INFORMATION ABOVE DISCUSSING THE BOOK-ENTRY SYSTEM HAS BEEN FURNISHED BY DTC. NO REPRESENTATION IS MADE BY THE ISSUER, THE INSTITUTION, THE SCHOOL OR THE UNDERWRITER AS TO THE COMPLETENESS OR ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF. NO ATTEMPT HAS BEEN MADE BY THE ISSUER, THE INSTITUTION, THE SCHOOL OR THE UNDERWRITER TO DETERMINE WHETHER DTC IS OR WILL BE FINANCIALLY OR OTHERWISE CAPABLE OF FULFILLING ITS OBLIGATIONS. THE ISSUER HAS NO RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS, OR THE PERSONS FOR WHICH THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2018 BOND, OR FOR ANY PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST PAYMENT THEREON.

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